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* Messages by Clinton and Rubin Reverberate in Asia

Treasury Chief 'Very Concerned' About Japan

By Stephanie Strom

SEOUL - During the last stop of his six-day, four-country sweep of Asia on Wednesday, Treasury Secretary Robert Ruhin made his most pointed comments about a country he did not even visit,

Meeting with South Korean business, labor and political leaders, Mr. Rubin stressed again and again the "enormous importance of getting Japan back on track to support growth in Korea and the

region in general."

Mr. Rubin said he was "deeply. deeply concerned" about the yeu's re-cent slide against the dollar, but he dodged questions about whether the

U.S. government would again step in to of the world financial markets," he prop up the Japanese currency with the standard response that it would move if and when intervention was deemed nec-

And on the eve of the unveiling of Japan's latest plan to overhaul its fi-

South Koreans waffle on Rubin's plea. . Tokyo stocks gain. Page 17.

nancial system, Mr. Ruhin exhorted Japanese officials to come up with a credible solution.

'The most important key with respect to economic conditions in Japan is to restructure its banking system in an efficient fashion that wins the approval

Mr. Rubin's decision not to include Japan on his trip has been a subject of intense discussion in Asia, where Japan's inability to come up with a plan to get its economy back on track is seen as prolonging the region's woes.

The detour around Japan by both Mr. Rubin and President Bill Clinton is widely regarded as a snub toward one of the most devoted U.S. allies and has raised speculation here about a realignment of American interests.

In his meeting Wednesday with Mr. Rubin, President Kim Dae Jung of South Korea wondered aloud whether

See RUBIN, Page 17

President Calls China's Course 'Morally Right'

By John M. Broder -

SHANGHAI — President Bill Clinton said Wednesday that the United States did not seek to dictate to China. the path of its development, but asserted that China's current course of economic liberalization and greater personal freedom was "morally right.

In an interview with China's main-government-run television network, Mr. Clinton said that America's status as the lone superpower did not give it the right to use its economic and military right to impose its values on China or any other nation. But he said that he would continue to speak out on behalf of: the disputes within and among nations, democracy and individual liberty.

"The short answer to your question is

The interview with China Central yes, the world needs a leader, but not in Television, to be broadcast Thursday, the sense of one country telling everywill be Mr. Clinton's last opportunity on his nine-day visit to speak directly to a mass Chinese andience. The White House sought the interview because an

Asians react with some anxiety to Cliaton's trip to China. Page 6.

earlier interview with CCTV, held be fore Mr. Clinton left Washington, was heavily edited by Chinese authorities and received little notice in China. Mr. Clinton was asked whether the

world needed a single leader to mediate - "The short answer to your question is

the sense of one country telling every-one else what to do." Mr. Clinton said. "So it's a different sort of world leadership than in the past, where it's just a question of who has the biggest army gets to send a list of instructions to another country and you think it will be done. That's not the way the world

He gave as examples the United States's intervention in Bosnia and Haiti and its efforts to mobilize other nations to combat drug trafficking, weapons proliferation and ethnic conflict. He said the way to get results in the post-Cold War world was to forge alliances

See CLINTON, Page 6

Hong Kong Is Somber on Anniversary

China's Leader Cautions On Economic Outlook

By Keith Richburg

HONG KONG - There were no tireworks and no floats, no all-night raves and no kitschy souvenirs. And this time there were no homing pigeons symbolically finding their way back to their motherland.

Instead, a more subdued Hong Kong marked the first anniversary Wednes-day of its return to China with a low-key series of mostly invitation-only events - and with some sober warnings from the Chinese and Hong Kong leaders that rough economic times lay ahead.

ident Jiang Zemin, speaking before a gala variety slow at Hong Kong's coliseum. "Hong Kong's economic difficulties will continue for a while. But Mr. Jiang promised that China

The turmoil is not over," said Pres-

would assist the territory, using the mainland's large made surplus, and he repeated his vow that China would not devalue its currency, the yuan. President Jiang also praised Hong

Kong's year-old autonomy formulaknown here as "one country, two sys-tems" — and he said its success showed it could also be used as a model for Taiwan's eventual reunification with the mainland.

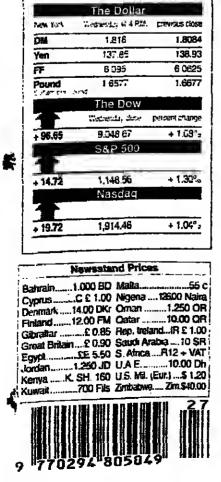
He called the formula "an example for Macau's smooth return to the motherland and for the final settlement of the Taiwan question.

Macau, a Portuguese-run enclave, reverts to Chinese control next year under an autonomy formula similar to Hong Kong's. But officials in Taiwan have repeatedly rejected any attempt to apply the same model there, saying the Re-public of China government already exercises sovereignly over the breakaway

Taiwanese leaders have consistently aid there can be no reunification with Ciuna until the mainland becomes more

President Jiang's promise to help Hong Kong revive its sagging economy illustrated a remarkable turnaround in

See HONG KONG, Page 4





President Jiang Zemin waving Wednesday to onlookers at a shopping mail in Hong Kong. President Clinton mingling Wednesday with some owners of private homes in Shanghai.



For Old Rivals, a Riveting World Cup Drama

By George Vecsey
New York Times Service

SAINT-ETIENNE, France - Glenn Hoddle hears the word in England: vendetta. He calls it 'a horrible expression.

The English coach has had to live 12 years with the emotion of being on the field when Diego Armando Maradona punched the ball into the net for the cynical "hand of God" goal that still haunts England, unabated.

"More than revenge, I dream of turning the score back to zero," Hoddle said recently, "That was the most biner defeat in my career."

Now England has another ghastly World Cup memory, the penalty-kick shoot-out that ended

By Anthony DePalma

OTTAWA - Twenty nations, including some

of the United States' closest friends, joined forces

at an international conference here on Tuesday to

protect themselves from what they see as grave threats to their cultures: free trade and the United

Officials from the 20 countries, including Mex-

ico. Britain and France, came to Ottawa to discuss ways to keep culture from being treated purely as

2-2 draw. As it was, the spirit of Maradona hunkered down over the fonthills of the Massif Central. The cynical chicanery and the glittering skill of Maradona was renewed in his absence. Each side had one goal produced by a penalty

English fans are devastated again. Page 20.

kick following an egregious flop. But then there was a dazzling 45-meter run and a crisp goal worthy of the stubby, old master — delivered by an 18-year-old boy with a big grin, Michael Owen, playing in his first World Cup. Owen dominated the game for a half, and

U.S. Gets Cold Shoulder at a Culture Conference

commerce, which gives the American entertain-ment industry easy inroads into foreign markets. Canada, which organized the meeting, set the

tone by not inviting representatives of the United

was not included because it does not have a cab-inet-level culture minister as do the other coun-

de Teresa, is president of the National Council for Culture and Arts, which is roughly the equivalent

Canadian officials argued that the United States

The representative from Mexico, Rafael Tovar y

with Argentina on top Tuesday night, 4-3, after a might have won it with his natural moves and unnatural poise. But he was effectively taken out of the game by a teammate, who drew one of the more stupid red cards in this World Cup of mandated mass ejections.

In the second minute of the second half, with the score already tied, Diego Simeone, the Argentine captain, fell heavily on David Beckham, grinding his hand into Beckham's back, as soccer players are wont to do. Beckham, on the ground, players are wont to be beckham, on the ground, players are with a tacket and belief. retaliated with a backwards kick, but he foolishly did it with Kim Nielsen, the Danish referee, standing above him.

In 1986, the referee missed the flailing left hand

See ENGLAND, Page 20

of the National Endowment of the Arts in the

Organizers closed the meeting to the public and to news organizations, they said, in order to en-courage frankness, but after some embarrassment

to the Canadians, the United States was allowed to

See CULTURE, Page 6

behind culture to erect trade barriers.

Instead, the intent behind the snub seems to have been to keep the United States from imposing its view that Canada and many other countries hide

General Motors Seems to Dig In For a Long Strike

By Frank Swoboda and Warren Brown

WASHINGTON — As losses to General Motors Corp. near \$1.2 billion in the antomaker's monthlong battle with striking union workers, both sides appear to have settled in for a long siege over a fundamental conflict between the company's demand to cut costs and a union's desire to save

Virtually all of GM's assembly plants have been elosed by the strike at two Michigan parts plants, and bargaining sessions have proven fruitless. But many industry analysts said the company has little choice but to take a long strike — and accept the resulting decline in its market share and staggering monetary losses now — or face an even higger defent luxure as in the click was destributed. defeat later on in the global marketplace.

Nine times in the past two years, United Auto Workers unions have struck important GM plants over productivity demands by GM — and usually the company has backed down. It is not clear whether either side intended this strike to be a final test of wills. But now it may be too late.

The automaker faces new challenges from a resurgent Ford Motor Co. and a newly created dynamo, DaimlerChrysler. Both of GM's domestic

See STRIKE, Page 6

AGENDA

U.S. Interest Rates Won't Rise WASHINGTON (AP) — The Federal Reserve Board left short-term interest rates on hold Wednesday arnid emerging signs that U.S. economic growth is finally is slowing.

The Federal Open Market Committee concluded a two-

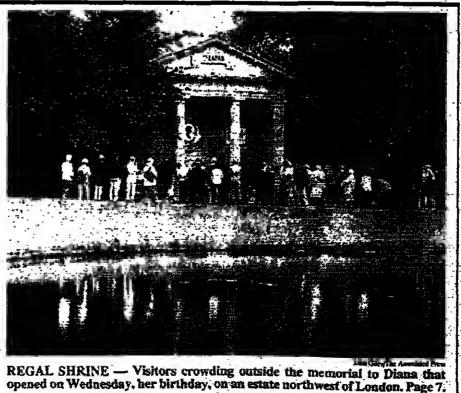
day private meeting, signaling it had left the benchmark rate on overnight interbank loans unchanged at 5.5 percent. The decision was widely expected.

Hubbell Tax Case to Be Dismissed

WASHINGTON (AP) — A federal judge on Wednesday dismissed the tax evasion case against Webster Hubbell, the former Justice Department official and presidential friend. All charges brought by the independent counsel, Kenneth Starr, against Mr. Hubbell's wife, Suzy, his accountant and his tax lawyer will also be dropped.

Judge James Robertson ruled that the case against Mr. Hubbell was brought using records that Mr. Hubbell was compelled to produce under subpoena, thus violating his Fifth Amendment protection against self-incrimination.

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United States

What's Cooking? By William Drozdiak Washington Post Service

VW and Volvo:

BERLIN - Volkswagen AG of Germany, the largest automaker in Europe, has opened discussions with Volvo AB of Sweden on a business cooperation deal that many analysts predict could lead to a merger and accelerate a shake-up in the global car industry.

A Volvo spokesman acknowledged Wednesday that the company's chief executive, Leif Johansson, met secretly on Friday with his Volkswagen counterpart, Ferdinand Piech, at the Swedish company's headquarters in Gothenburg. But he refused to confirm reports of a corporate marriage. Volkswagen declined to comment.

But the prospect that some kind of alliance was imminent stirred enormous interest in the anto industry, which has been going through mmultuous change as companies strive to adapt to a revolution in global markets. Stock markets responded favorably to the news, with VW's shares hitting a record high on the Frankfurt exchange and Volvo shares also soaring.

Industry executives have predicted that the num-

See VW, Page 6



'Nobody Is Untouchable' / Colombia's Kidnapping Scourge

Rebels' Seizure of Teenage Girls Stirs Rage

By Serge Kovaleski

OGOTA - They are five teenage girls, with ordinary teenage passions and dreams to match. Joliffe hopes to become a famous fashion model. Paola wants to be a doctor. Carolina lives candy and pastry. Gisela dances to rap music. Leidi likes to draw.

But Latin America's Inugest-running civil conflict makes few allowances for innocence. Three weeks ago, leftist rebels kidnapped the girls and 10 other young women, accusing them of collaborating with the Colombian Army.

Even in a country seemingly inured to violence and hostage-taking — Colombia has the highest kidnapping rate in the world - the abductions have

spurred widespread nutrage here.

Some see the abductions as an illustration of the depths to which the combatants have sunk and the degree to which young people increasingly are caught up in battles not of their own doing.

In a sign of how the conflict - and this kidnapping in particular — is resonating beyond Colombia's borders, the case has drawn the attention of Jose Ramos Hnrta, a Nobel laureate from East Timor.

He is negotiating with the National Liberation Army, Colombia's second-largest guerrilla group, for the release of the captives. Three of them are pregnant and another two

recently became mothers. The captives, ranging in age from 13 to 21, had been working as volunteers for a social services program sponsored by the armed forces in and

around Segovia, a gold-mining town oortheast of the provincial capital nf Medellin. For years, the town had been heavily infiltrated by the guerrilla group, which goes hy its Spanish initials ELN, until it was retaken by the military last

Since then, according to the army, the captives had taught poor residents how to improve their reading skills, nffered health counseling and conducted recreational events.

Their jobs were part of a campaign by the military to foster trust among locals and couoter charges of human rights abuse.

"How the guerrillas could do something like this to such helpless young girls is beyond cruelty and heartlessness," the mother of one of the kidnap victims said.

"I just pray that they do not touch her or any nf the other girls they have stolen from us. They are not part of the war."

Guerrilla forces, right-wing paramilitary groups and, in certain instances, the army have resorted to extreme methods in an escalating conflict that has claimed tens of thousands nf lives and displaced more than a million people over the last decade.

In one of the most barbarous episodes, a para-military death squad three months ago executed 25 youths from the oil town of Barancabermeja in Santander del Sur Province and incinerated their

The victims, who were accused of supporting the rebels, had been seized from a soccer field and subjected to a mock trial.

These cases show that nobody is untouchable in Colombia and that the presence of the state is disintegrating," said Jose Miguel Vivanco, ex-ecutive director of Human Rights Watch/Americas. 'Consequently, the civilian population, including



The young uniformed volunteers known as the Steel Girls who were abducted three weeks ago while doing social work in rural areas, posing in Bogota with the head of the armed forces, General Manuel Bonnett.

pregnant women and children, is exposed to the worst kind of violence and abuses."

Within this worsening maelstrom of violence, Cnlomhia's kidnapping rate has continued to rise at the hands of guerrillas and criminals who act with little fear of prosecution in this South American

country of 36 millinn people.

According to the Foundatinn for a Free Country, a Bogota-based anti-kidnapping group, at least 830 abductions occurred in the first five months of this year, or an average of five a day.

The overall figure represents a 28 percent in-crease over the same period in 1997, with most of these crimes taking place in Antioquia Province, where Segovia is situated and the rebels have a

HE KIDNAPPING of the 15 girls and women has prompted strong condemnation from international abservers, including Almudena Mazarrasa, representative of the UN High Commissioner for Human Rights in Colombia, who has demanded that the ELN release

the young volunteers "with the utmost urgency and without any type of conditions."

Over the weekend, Mr. Horta, a human rights activist from East Timor who won the 1996 Nobel Peace Prize, met with two of the ELN's leaders, who said they would try to assist in arranging for the liberation of the captives.

Mr. Horta was traveling in Colombia with a Unicef delegation. The ELN has said that the volunteers - known as the "Steel Girls" after the army program that employed them - are being treated well.

Observers speculated that the ELN may now be more willing to release the vulunteers because on Sunday the rebels reached agreement with Colomhian officials to participate in peace negotiations with the new government of President-elect Andres

Pastrana when he takes office on Aug. 7.
The volunteers have been held since June 13, when ELN members abducted them as they were traveling between Segovia and a nearby town, military officials said.

An ELN communiqué accused the volunteers dressed in hlack berets and fatigues — of carrying firearms and engaging in undercover activities for

the military. The army has denied the charges, saying that the volunteers oever received any military training and that their work was confined to civilian activities. Military officials contend that the abductions

were carried out as a result of rebel irritation over losing cnntrol of Segovia.
"The decision to kidnap the girls was a reaction by the guerrillas because of the work the army is doing in conjunction with the civil society in Segovia," said Defense Minister Gilberto Echeverri.

Since being abducted, the captives have been allowed to write letters to their families. In one of the letters, Veronica Restrepo, 17, and a consin, Clandia; 14, wrote that once they are freed they want to throw a party at "the best ice cream shop" in Segovia.

Ana Gomez Ospina, who turns 15 this week, asked her family to light a candle to help her gain her

Israeli Leaders Agree To Mute Their Dispute

But Weizman and Netanyahu Still Differ

JERUSALEM - Prime Minister Benjamin Netanyahn and President Ezer Weizman called a halt Wednesday to their bitter public fight over Israel's approach to stalled peace talks with the Palestinians.

A statement issued by the two men after an hourlong meeting said they had agreed to resolve their differences in private "for the good of the country."

But the statement indicated that differences between the two remained.

The president and prime minister talked and clarified their positions to each other," said the statement, read by Arieh Shummer, an aide to the pres-

Their talks followed twn days of heated exchanges through the press that began with an explosive call from Mr. Weizman for an early general election to put Mr. Netanyahu's policies to the

Mr. Netanyahu hit back in television interviews Tuesday, when he accused the president in effect of siding with the

Mr. Weizman, a shoot-from-the-lip maverick who helped forge Israel's peace treaty with Egypt in 1979, has frequently locked horns with Mr. Netanyahn over the pace of peacemaking since Mr. Netanyahu's election in May

The largely ceremonial presidency gives Mr. Weizman no power to call elections, but the popular president's

bombshell suggestion Monday put another dent in Mr. Netanyahn's political

credibility.
For months Mr. Netanyahn has reror monns Mr. Netatyani has le-sisted American proposals to lift peace-making out of the current deep dead-lock. Those proposals call for an Israeli withdrawal from 13 percent more of the West Bank in return for Palestinian ac-

tioo in stem anti-Israeli violence.

Dismissing Mr. Weizman's call for elections, Mr. Netanyahn said Monday that a deal was "very, very close" but that the Palestinians had refused to meet tioo m stem anti-Israeli violence.

security commitments.

The Palestinian leader, Yasser Arafat, has accepted the American initiative and says the only obstacle in an agreement is Mr. Netanyahu's refusal to yield more land for self-raic.

Mr. Weizman's unexpected interven-tino Monday was widely seen in Israel as an open challenge to Mr. Netanyahu's policies.

The president told interviewers that

the prime minister had duped him repeatedly over the prospects for an ac-cord and was leading Israel into international isolation.

The Yedioth Ahronoth newspaper quoted Mr. Weizman on Tuesday as saying, "Bibi lives in a state of euphoria, in his own world, cut off from reality." Bibi is Mr. Netanyahu's nickname.

In the past, Mr. Weizman's candor has angered groups as diverse as homosexuals and the ultra-Orthodox.

Khatami Calls on U.S. For Deeds of Goodwill

TEHRAN - In his first public response to a U.S. diplomatic initiative, President Mohammed Khatami of Iran said Wednesday that Washington must demonstrate its sincere desire for im-

proved ties in deeds, oot just in words. Mr. Khatami, a moderate cleric who six months ago proposed a "dialogue of civilizations" with the United States, acknowledged what he called "a better

understanding" of the Islamic republic now by U.S. political leaders. But be said that rhetorical change was

not enough.
"We have noted a change in the tone but we are always looking for sincerity in practice and not just in words," Mr. Khatami said after he met with Prime Minister Romano Prodi of Italy. Mr. Prodi, the most influential Euro-

pean leader to visit fran since the 1979 Islamic revolution, said he had discussed a broad range of issues with Mr. Khatami, including questions of human

"We spoke about this problem, and all problems, but it must be said it is not a problem of just any one country," Mr.

It was not clear whether he was carrying a message from the United States. which severed diplomatic ties with Iran after the takeover of the U.S. Embassy

in Tehran in 1979. Mr. Prodi, the first EU leader to travel to Iran since a visit in 1992 by the Greek prime minister, Constantine Mitsotakis, said he had spoken to President Bill Clinton about his visit beforehand.

plications," Mr. Prodi said, "It will not only improve ties between Tehran and Rome, but also between Iran and the West." He did not elaborate.

Washington has been probing a possible rapprochement with Tehran, most recently using a World Cup soccer match between the two countries to woo Iran into direct government-to-government talks.

Secretary of State Madeleine Are bright offered on June 17 to explore new confidence-building steps with Iran, with the ultimate aim of normal ties.

The following day, President Clinton reinforced the charm offensive. In a message taped ahead of the soccer-match on June 21, he said that Washington wanted "genuine reconcili-ation" based on mutual respect. Mr. Khatami said that an appropriate response would be delivered by Iran's

government. So far, such "football diplomacy"

has brought no immediate gains alacademic and cultural exchanges in recent months.

Vice President Hassan Habibi nf Iran said that Mr. Prodi's visit was of great importance to their two countries.

"We consider this trip an interna-tional message," Mr. Habibi said after talks with Mr. Prodi on Wednesday. Their consultations focused largel on trade issues.

The Italian Embassy said that Mr. Prodi, who arrived here Tuesday night, would cut short his three-day visit and leave Iran late Wednesday. No reason was given for the change.(Reuters, AP)

Kabila's Forces Massacred Hutu, UN Report Asserts

By John M. Goshko Washington Post Service

UNITED NATIONS, New York -A United Nations burnan-rights team has asserted that forces of the Congolese president, Laurent Kabila, massacred scores of Rwandan Hutu refugees in 1996 and 1997, and it called for an international trihunal to prosecute those responsible for "serious violations of The charges were contained in a re-

port by the team, which was withdrawn from Congo hy Secretary-General Kofi Annan after months of harassment by the Kabila government. Mr. Annan made the report public Tuesday after UN officials debated whether its release would further worseo UN relations with Mr. Kabila, whn led a guerrilla campaign that last year overthrew the former Zaire's longtime dictator, Marshal Mobotu Sese Seko.

The main points of the report have been known for some time. It supports charges hy independent human rights groups that Mr. Kabila's forces and their allies from the Tutsi-dominated

army of oeighboring Rwanda mur-dered thousands of Hutu refugees, including women and children, who had fled into Congo. Rwanda has a long history of animosity between Tutsi and Hutu, and the killings in Congo allegedly were part of a Tutsi retal-iation for the 1994 Hutu genocide campaign that killed more than 500,000 Rwandan Tutsi.

[The Rwandan government rejected the report Wednesday and said the inquiry was incomplete and lacked any credibility, Reuters reported from

[The Rwandan foreign minister, Anastase Gasana, said the UN investigators who compiled the report interviewed biased witnesses and focused too much on their logistical problems. "They haven't made a serious investigation, Mr. Gasana said by telephnne from the Rwandan capital, Kigali. "There are no facts and no proof."]

The report acknowledges that the restrictions placed on the investigators by Congolese officials made a full-scale inquiry impossible and forced the team to rely on limited, nften second-hand information. Nevertheless, it said, sequently, the interests of justice can enough information is available to implicate Mr. Kabila's forces, the Alliance of Democratie Forces for the Liberation of the Congo, and elements of the Rwandan Army in attacks against refugee camps in eastern Zaire. When the refugees, mostly unarmed civilians, fled, they were bunted down and killed,

'One such possible interpretation of this phase of operations," the report said, is that it was carried out by Mr. Kabila's forces with Rwandan support after "a decision was taken to eliminate this part of the Hutu ethnic groups as

"If proved," the report said, "this

would constitute genocide."

The report added that Congolese authorities had actively resisted an investigation into who was responsible for "the serious violations of human rights and grave hreaches of humanitarian law which occurred in its territory."

After noting that the Congolese gnv-erament had failed to cooperate with the investigation, the report said that "con-

TRAVEL UPDATE

Jakarta Plans Free Day for Tourists

JAKARTA (Renters) - Indonesia announced Wednesday

On "Happy Day," hotels, restaurants and transportation to

tourist sites will be free. The exact date of the promotion will

be given in a surprise announcement on short notice, according to Antara, the official news agency. (Reuters)

Germany took over the rotating presidency of Schengen. the passport-free zone of 10 European countries, and promised to boost security and crime-fighting. (Reuters)

A heat wave blistered Athens for the second day Wednesday, with temperatures soaring to 39 degrees cenograde (102 degrees Fahrenheit). (Reuters)

that there will be one day this month when tourist services will be free, as it seeks to entice back tourists scared off by riots.

only be served by endowing an international tribunal with competence over

■ Tshisekedi at Liberty

The Congolese government nn Wednesday lifted the internal exile imposed oo the opposition leader Etienne Tshisekedi, Agence France-Presse reported from Kinshasa.

WEATHER

"This trip will have far-reaching im-



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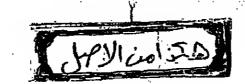
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Adding Up the Bill for Nuclear Arms They Have Absorbed 10% of the Federal Budgets Since 1940

By Matthew L. Wald New York Times Service

WASHINGTON

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weapons have cost the United States at least \$5.48 trillion since 1940, and for and analysis division of the Defense Least \$5.48 trillion since 1940, and for most of that time neither Congress, the president nor the armed services had a clear idea what was being spent, according to a four-year study sponsored by the Brookings Institution.

The figure, which is stated in 1996 dollars converted under a Defense Department formula, represents about a third of the nation's military spending and about 10 percent of all expenditures thy the federal government from 1940 to 1996; only non-nuclear defense pro-

grams and Social Security cost more. The money spent on nuclear weapons, plus money for environmental

Gag Order Lifted

In Paula Jones Case

WASHINGTON — A federal judge in Little Rock, Arkansas, has lifted the gag order she had imposed in the Panla Jones sexual harassment lawsnit, al-

lowing attorneys to disclose any re-maining secret information from the

dismissed case and opening for public inspection still-sealed documents.

Judge Susan Webber Wright of U.S. District Court, who dismissed the Jones suit April 1, ruled Tuesday

that there was no longer a reason to keep the confidentiality decree be-

cause so much detail about the case

had been made public already through

court filings or by news organizations

names, addresses, occupations and

other identifying information regard-

ing women who were interviewed.

about their relationships with Pres-

ident Bill Clinton remain cloaked.

And she gave lawyers for Mr. Clinton

and Mrs. Jones 10 days to appeal her ruling before it takes effect. Both sides

consortium of news organizations, to

The judge noted that her dismissal

of the case means there will be no trial

unless an appeals court overrules her,

and even then a trial would not be

Much of the most salacious ma-terial collected by Mrs. Jodés i segal team during its evidence pathering phase aheady has been triale pather, but lawyers that are involved sug-

gested that there is more embarrassing try."

had opposed the motion, filed by a Harvard University.

and even then a trial wome not conducted until next year at the earli-est. As a result, she wrote, "There is now no imminent trial in which pre-indicial pretrial publicity remains a indicial pretrial publicity remains a conserve."

There is decades in Congress was known as the master of boastful bluster and for the nickname "B-1 Bob," complained that he had not been embraced by the

But Judge Wright ordered that the

quoting unnamed sources.

lift the order.

POLITICAL NO

cleanup, would buy 290 million anto-mobiles, says an author of the study, William Weida, an economist at Col-orado College in Colorado Springs and a former disaster of the score onic policy

Department.

Stephen Schwartz, editor of the study, said: 'Niclear weapons were considered to give more bang for the buck.' 'For that reason, Mr. Schwartz said, policy planners paid little attention to costs.

The study, "Atomic Andit The Costs and Consequences of U.S. Nuclear Weapons Since 1940," was published on Tuesday by Brookings.
The cost of nuclear weapons pro-

grams has never been compiled before, according to the study. The cost includes money spent to invent them and

material that is still-under seal.

"There's stuff out there, that's all I'll say, stuff that probably both sides would rather not see the light of day," said an attorney for Mrs. Jones, David

Clinton Will Name

WASHINGTON — President Bill Clinton said Tuesday that he planned

to name John Shattuck, assistant sec-retary of state for democracy, human

rights and labor, to be ambassador to

Mr. Clinton also plans to name a

career diplomat, Robert Finn, the deputy chief of mission at the U.S.

embassy in Croatia, to be ambassador

to Tajikistan, the White House said.

Mr. Shattnck was involved in the negotiation of the 1995 Dayton peace

accords that ended the war in Bosnia as well as in the formation of in-

ternational criminal tribunals for the

Before the State Department post,

Mr. Shattuck was a vice president at

Newt Gingrich, the speaker of the House, after Robert Doman, a Re-publican of California who in two

party in his U.S. House campaign:
We are dedicated to electing Bob.
Dorman and retining him to his seat in
the House. I believe man B-1 Bob has
one more mission to tun for his coun-

Quote/Unquote

former Yugoslavia and Rwanda.

Envoy to Prague

the Czech Republic.

produce them, to huild the missiles, bombers, and submarines to deliver them, and to defend against enemy nn-

If the cost of cleaning up environ-mental damage resulting from the production of onclear weapons is added, the total comes to \$5.82 trillion, based oo estimates of what will be needed in the

next 80 years, the study said.

The Defense Department and the Atomic Energy Commission or its successor, the Energy Department, were at the center of most of these programs.

Producing noclear weapons accounted for only about 7 percent of the total cost, the study said. Deploying the weapons, including the cost of missiles and bombers, accounted for 55.7 percent of the total; defending against nnclear attacks made up 16.1 percent tar-geting and controlling the weapons made up 14.3 percent, and ouclear waste management and cleanup was approximately 6.3 percent.

The study group said one reason for the high costs was interservice rivalry, with the air force getting nuclear arms and then the navy and army wanting

The study's authors said strategic deterrence had prevented nuclear conflict and probably conventional conflict in Europe as well. Although they said that task could have been accomplished more cheaply, they did not say how much more cheaply.

"Waste is in the eye of the beholder," Mr. Schwartz said. "Clearly, nuclear deterrence as a concept and a real-

clear deterrence as a concept and a reality exists. But there's a big difference between having five weapons or 10 weapons or 20 weapons or 20,000 weapons. Somewhere in there, you stop getting more bang for the huck."

Some of the money went for projects that failed, like the development of a onclear-powered airplane and the deployment of nuclear bombs under the Greenland ice cap. Far more was spent on producing nuclear weapons that the authors say were in excess of military

Mr. Weida, the economist, said part of the problem was pork barrel politics. Lawmakers were loath to cut back or cancel production of nuclear weapons in plants in their states or districts.

The tie between regional economic benefits and nuclear weapons." be said, "created an inertia which made it extremely difficult to curtail onclear weapons programs after their useful life had expired."

The authors of the stody also said the current annual budget of \$4.5 billion for "stockpile stewardship" — a testing system without nuclear explosions exceeds the historical average for research, development, and testing by about \$900 million a year.

The Energy Department says stockpile stewardship is less expensive than its Cold War testing and maintenance

Vice President Al Gore inspecting a bicycle that was destroyed weeks ago by a wildfire in Palm Coast, Florida, as some residents look on.

Florida Town Is Evacuated **As Wildfires Near Homes**

The Associated Press

MIMS. Florida - Firefighters beat back blazes that came within 50 yards of some bomes in this eastern Florida community Wednesday and threatened to consume dozens of others.

Firefighters confirmed that no homes had burned overnight, but said that the battle against the wildfires was oot over. Mandatory evacuations for hundreds of residents were lifted.

"We know we lost some cars, barns and sheds," said Jeffrey Money, assistant chief of Brevard County Fire

More than 1,700 fires since late May have destroyed 85 homes and more than 251,000 acres (101,600 hectares) mostly forest, palmetto scrub and swamp
— from one tip of Florida to the other.

The unpredictable fires wbipsawed residents of this region about 25 miles (40 kilometers) east of Orlando on

Officials initially issued a mandatory evacuation order for about 2,000 homes. But that order was lifted as sea breezes steered the fire away.

Winds switched again at nightfall, sending the fire back toward a portion of the neighborhood. About 250 homes

Fires bave also been a problem in neighboring Georgia. In Augusta, fire-fighters evacuated bomes near a threemile stretch of Bobby Jones Express-way, a main thoroughfare in the south-

ere again evacuated.

AMERICAN TOPICS

Not All Hippie Communes Have Succumbed to Reality

In the spring of 1976, a group of long-haired young dreamers bought 304 acres of rolling woodlands near the small town of Harrodsburg, Indiana, and moved into canvas teepees. They slept on dirt floors, cooked over campfires, raised chickens and goats and tended an organic garden. Their dream: to build a Utopian commu-

nity.
"In those days you were young and it was all an adventure," recalled Sara Steffey, 47, one of the original members of May Creek Farm. "We were all really happy. It was like retiring in

Such dreams, of course, tend to encounter harsh reality - cold winters, leaky roofs, the need, like it or not, for money, And so hundreds of the communes like May Creek Farm that sprang up in the '60s and '70s remain. A directory produced by a group called the Fellowship for Intentional Community lists 540 North American communes.

Outside Harrodsburg, the community that started in teepees thrives,

though it has evolved. May Creek Farm Inc., now part nature preserve, part housing subdivision, is home to 10 families with 30 members, living in houses, not teepees. Each family owns its own plot of land; together the 'creekers," as they call themselves. own 200 acres of surrounding woodlands, which they protect from poachers in search of ginseng, goldenseal and

the mushrooms that sprout after rain. The group's goal of self-suffi-ciency has had to be revised. While two families survive through artistic endeavors, several members go into nearby Bloomington to work: as a ourse, a school teacher, a dance in-

There have been differences within the community - some members are Buddhists, others Protestants or followers of American Indian religions. And neighbors have finally overcome their fears of orgies or debauchery in the commune. May Creek survives. largely thanks to its members' love of a simpler country life. "If I had to live in town again," said Heather Jones, 32, "I doo't think I could stand it."

Short Takes

Kent State University, a name that costs of protest during the Vietnam War, has agreed to make a memorial out of parking spaces where four student protesters were shot and killed by National Guard troops on May 4, 1970. "The university feels that it had

some unfinished husiness," said a university spokesman, Ron Kirksey.

One hundred years ago, the German immigrant Gustav Dentzel ushered in a golden age of carousels in America by inventing a device to make the ornately carved animals rise and fall. Carousels hit the peak of their popularity in the 1920s, with nearly 4,000 around the country, according to U.S. News & World Report, By the 1950s, there were fewer than 1,000. After the 1929 stock market crash, carousels that had cost \$25,000 sold for \$2,000 or less. Today there are 148 antique wooden carousels in America. Classic individual horses, the most popular of carousel figures, sell

for as much as \$121,000. A growing number of high-tecb companies in California are letting employees bring their animals to work. A pet-friendly workplace. Silicon Valley managers have con-cluded, can help attract and keep good workers, many of whom care as much for their pets as parents do for their children. Companies generally require that animals be confined to their owners' work spaces. Dogs must be leashed, licensed and have all their shots. Rafhael Cedeno, a software enjob that would separate him from his Yorkshire terrier, saying that the Yorkie would be upset if I didn't hring him to work.

Brian Knowlton

Alabamians Pick Religious Rightist

By Terry M. Neal

Washington Post Service WASHINGTON - In an unasually hitter gubernatorial contest in a state known for colorful politics, Governor speaking by telephone from the victory party. Many observers disagree with Republican nomination against his more moderate rival, the businessman called the runoff one of the nastiest in -Winton Blount.

With 93 percent of precincts report-ing, Mr. James had 56 percent of Tues-

Mr. James, a hero of the religious right, will go into November's general election against a well-financed Democrat, Don Siegelman, with a depleted campaign fund and a reputation rattered by months of comentious campaigning.

cial and economic conservatives. "We stayed positive and focused on

the governor's record," said Mr. James's spokesman, David Azbell, recent history:

"We stayed positive and focused on the governor's record," said Mr. James's spokesman, David Azbell, speaking by telephone from the victory party. Many observers disagree with Mr. Azbell's assessment and have called the rupoff one of the nastiest in

recent history.
Mr. James, who is seeking his third The battle between Mr. James and term - he served one term as a Democrat in the late 1970s and early 1980s Mr. Blount exposed huge rifts in the before switching parties - failed to win state's Republican Party and under-

scored the divide nationally among so- a majority of votes in a five-way Republican primary on June 2.

The contest was unusual in several respects. Generally, the governor's Republican counterparts in other southern states, such as Governor George W. Bush of Texas and Governor Don Sundquist of Tennessee, are enjoying popularity. The economy is good and crime is down nationwide, generally providing a positive environment for incumbents.

"It's a case study in how not to be a

"It's a case study in bow not to be a Republican governor," said Merle Black, an Emory University political science professor.

Mr. James's "agenda is almost ex-clusively that of the Christian Coalition," Professor Black said. "By giving such overwhelming emphasis to that side of the agenda, he's disrupted the electoral coalition that put him in office in the first place."

Away From Politics

 Overseers of the federal school luncb program, which serves 26 million children, have granted vegetable status to salsa and determined that school cafeterias can dish it up as part of a nutritionally balanced menu. The low-fat, low-cholesterol sauce typically consists of tomatoes, peppers, onions and spices. In 1981, the Reagan administration tried to have ketchup designated as a vegetable, but the plan was widely ridiculed and dropped.

• The American Automobile Association says one in four Americans admits to being an aggressive driver. That is 45 million drivers and represents a bigger problem than "road rage" — drivers trying to barm others with their vehicles. Aggressive drivers, the AAA says, aimply drive without regard for others' safety. (AP)

• A federal judge halted en-forcement of a Florida law that imposes five-year prison terms on doctors who perform a type of late-term abor-

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THE WORLD'S DAILY NEWSPAPER

Birth Rate for Unmarried Blacks at 40-Year Low out-of-wedlock birth rate has been drop- of multiple births in 1996, the largest

By Steven A. Holmes

report by federal health officials.
Figures compiled by the National
Center for Health Statistics show that
there were 74.4 births per 1,000 mmarried black women in 1996, the last year for which complete data are avail-

That rate is significantly below the peak of 90.7 per 1.000 unmarried black Post reported:

women in 1989.

"There's just been no letup, and it's not been slowing down," said Stephanie Ventura, a demographer with the Na-tional Center for Health Statistics who wrote the report.

Multiple Births Rising

Nearly 6,000 babies were born in "It's been going on for a while and I the report Tuesday showed that the uiplets, quadruplets or even larger sets see no evidence it's fading at all."

ping for all age groups of black women.

number ever and one that shows no sign of abating, the National Center for

WASHINGTON — The birth rate for that the reasons — an increase in consumerined black women, long a focal point in the debate over the causes of powerty among blacks, has reached its powerty among blacks, has reached its powerty among hacks, has reached its powerty among blacks, has reached its pow Since 1980, the rate of twins has risen

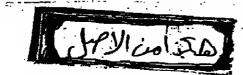
37 percent; for triplets and higher, the rate has increased 312 percent.

"It's pretty dramatic," said Joyce Martin, a health statistician at the Na-Barbara Vobejda of The Washington tional Center for Health Statistics and a co-author of the study.

Genie™ Philips' smallest mobile phone on the praidet.







ASIA/PACIFIC

One Year Later, Schizophrenic Hong Kong Is Pulled East and West



Tsang Yok-sing: "When China does something splendid, I jump for joy."

HONG KONG: A Subdued Anniversary

have suffered a lot."

Hong Kong's unexpected economic

downturn has masked what for many has

been the most surprising, and positive,

aspect of the last year of Chinese rule that is, how China has largely kept a

hands-off policy to the territory's in-

ternal affairs and how on the surface

streets or subway stations, leaving un-touched such colonial anachromisms as

'Queen's Road" and "Prince Edward

The People's Liberation Army, which

hlitzed across the border into Hong

Kong shortly before midnight in trucks

and armored vehicles, has remained

largely invisible to the Hong Kong pub-

lic, except for a sentry standing guard outside the garrison's downtown headquarters, the Prince of Wales Build-

ing, which also maintains its colonial

history, all of the principal cahinet sec-

retaries are Chinese. But one level be-

neath in the civil service, about a fifth to

a quarter of department heads and

or Australian holdovers from the last

mation Service, who was the press

spokesman to the last British governor,

ternational organizations and forums

right to form organizations and on the

right to stage demonstrations. A new law

outlawing subversion is being drafted.

ousted from the last chamber one year

ago have regained their seats. And al-

tions are on the books, rarely have they

been enforced, and small-scale protests

now seem an almost daily event.

But on the other hand, elections were

China did abolish the elected legislature and replace it with an appointed one. It instituted fresh restrictions on the

Expatriates still hold top jobs in de-

colonial regime,

Chris Patten.

overseas.

deputy heads are Caucasians — British

These include Kerry McGlynn, the

For the first time in Hong Kong's

There has been no attempt to rename

much here has remained unchanged.

Continued from Page 1

just one year's time.

Before, Hong Kong was seen as the vibrant and sophisticated economy that would help prop up the anemic, Com-

But now Hong Kong is facing its first recession in more than a decade and is now counting on fast-growing China to keep its currency stable, to use its foreign reserves as a backup in case of a speculative attack on the local dollar and to belp save Hong Kong's shrinking tourism industry hy allowing more mainland Chinese visitors to come

C. H. Tung, China's appointed chief executive for Hong Kong, acknowledged the reversal of fortunes. "When we look north, the bright future of our motherland adds much to our valor," Mr. Tung said in his speech.

Hong Kong, he added, will "benefit a great deal from our motherland's rapid

development and prosperity. When Mr. Jiang last spoke in Hong Kong, one year ago, his visit was part of a costly and extravagant four-day series of handover evenis marked hy parades, hotel banquets, a flotilla of giant pandas, the world's largest outdoor karaoke performance, a handover rave featuring rocker Grace Jones, a handover babycrawling contest with 1,997 infants, the world's largest-ever fireworks display, and the release of 10,000 Chinese homing pigeons that were supposed to find their way home to China.

Officially, one year ago, the mood was triumphant, even though there were deputy head of the Government Infordeep misgivings among ordinary people about whether their lives would change and their freedoms curtailed — after the territory fell under the control of one of the world's last declared Communist

of the world's last declared Communist states.

But in the year since the handover, fears over a shrinking of the political space have been replaced by concerns about an economic downtum that only being the political and the director of the Intellectual Property Department are still held by British beldovers from the colonial error. about an economic downturn that only holdovers from the colonial era.

The stock market has lost half its British members of the Hong Koog govvalue since its record highs reached just ernment to represent Hong Kong at inbefore the territory's return to China, and a pre-handover property boom has burst, sending residential and retail prices plummeting 40 percent since their mid-1997 highs.

Unemployment so far this year has topped 4 percent, a 15-year-high, and officials say the jobless rate will go higher with new statistics.

The economic worries forced the gov-ernment to curtail plans this year for a islature that will replace the appointed larger celebration to mark the first an- one - and pro-democracy members niversary under Chinese rule.

And far from last year triumphant talk, the speeches Wednesday were though new laws to control demonstradominated by worries about the finan-

By John Pomfret Washington Post Service

HONG KONG - With her English law degree, clipped British accent, successful career as a commodities trader, well-groomed Shih Tzu and tendency to call herself "earthling," Christine Loh stands for everything that is outward-looking, modern, hip and fast-paced about Hong Kong.

Her extigulate valois is spiced with

Her articulate patois is spiced with Internet slang, seasoned with New Age jargon. She's as at home in London as on

Hong Kong's ritzy Peak.

If Ms. Loh represents one side of this city, Tsang Yok-sing represents another.

In 1947, his mother took an improbable journey from Hong Kong back to Canton in the midst of a civil war to give birth to her son. Mother and son returned to Hong Kong soon thereafter, but ever since it seems as if her boy has been

trying to go home.

In the 1960s, as a student in Hong Kong, he became enamored of Mao and the Cultural Revolution. He protested in the streets and turned down a chance to study in the United States to await a

lofty goal, the Asian financial turmoil struck Hong Kong out of the hlue," Mr. Tung said. The chief executive, whose chance to live in China. When China does something splenadministration has been criticized for shameful, I suffer. I totally identify mymoving too slowly to address the mount-ing economic ills, said: "Hong Kong has been dealt a severe hlow and our people self with my compatriots.

Ms. Loh and Mr. Tsang represent opposite poles of this schizophrenic city, a year after it changed from a British colony to a part of China. Each was elected to Hong Kong's Legislative Council on May 31 in the first multi-

party elections held on Chinese soil.
President Bill Clinton could meet both of them when he visits Hong Kong Thursday and Friday, and if he does, he will also encounter two very different perceptions about Hong Kong's future, its past and its identity.

The final ontcome of these competing visions will have a great deal of in-fluence on the future of Hong Kong as this outcropping of skyscrapers and trading houses seeks to navigate between its amhiguously Westernized shell and its amhivalent Chinese heart.

At root, the fight is simple: Will Hong Kong be able to foster and maintain an identity that is fundamentally separate from that of China? Or will it shed the

things that have made it less Chinese, slowly bonding with the ancient moth-erland, except with a better airport, more efficient port and a telephone system that

works?
So far, Mr. Tsang's vision appears to have a leg up. Beijing has ensured that the current legislature is stacked in its favor; 40 out of 60 seats are occupied by pro-Chinese legislators, many of whom were elected with fewer than 200 votes. Tung Chee-hwa, Hong Kong's Beijing-appointed chief' executive, speaks out often against Hong Kong's Westernized culture and has proposed instead an alternative. and has proposed instead an alternative vision — one he calls "Asian values" — a respect for authority, a preference for stability over fast-paced change and, most-important, a love of China.

But Ms. Loh's vision seems to have more resonance among the people of Hong Kong. More than 60 percent of the voters cast ballots in the May 13 election for people who, like Ms. Loh, pledged they would stand up to China and fight

for Hong Kong.

The story of Ms. Loh's family reads like the plot of a Hong Kong romantic potboiler. Her great-great-grandfather on her mother's side was a comprador capitalist who helped form Swires, one did, I jump for joy, I share the glory," he of the great British-owned hongs, or said. "When China does something trading networks, that sold opium in trading networks, that sold opium in politician.

Asia and dominated China trade for de
Ms. Lot

For five generations, the family lived in Hong Kong. In the tradition of many wealthy Chinese, her maternal grand-father had one wife and eight concu-

Her father's side hails from Shanghai, where they were educated at the prestigious, American-run St. John's University. The family was brought up speaking English and came to Hong Kong during China's civil war in the late 1940s when it became ohvious that the Communist forces would win.

was never discussed. The family spoke English. Ms. Loh has never learned to write Chinese, although over the last few years her spoken Cantonese and Man-



Christine Loh: "That part of me which is British will always be British."

Richard Nixon's visit there. Since then, she has worked in Beijing and traded commodities in Hong Kong. In 1992, with her appointment to the Legislative Council by Chris Patten, the last British governor, she became a "professional

Ms. Loh said she decided to give up her British passport 18 months ago be-cause Chinese law prohibits foreign passport holders from holding public office in Hong Kong. "It was an evolving decision," she said. "That part of me which is British will always remain British. Here was easy," she said, pointing to her head. Touching her heart, she added,

Here was a different matter." BBC documentary, Mr. Tsang grew up with it at home. His father was a clerk at Her father, a cotton merchant, was part of the "Shanghai gang" of textile merchants who helped make Hong Kong rich. At home, Ms. Loh recalls, China a school run by British teachers. a school run by British teachers.
"Nobody talked about China," he said.
"We had very little Chinese history."
In 1964, when he was 18, Mr. Tsang met the editor of a pro-China magazine

sity. In his second year, he took a trip to his native city, Canton, and fell in love with China's revolution. "I was greatly impressed. Everything I saw I liked very much," he said. "Everyone was leading a simple life, but they had lofty goals. I came back with a feeling that I had discovered my real country and found a new meaning m my studies and in my

Mr. Tsang settled into a joh at the Puikin Middle School, a center of Communist agitation during the pro-Chinese riots in 1960s Hong Kong. He ended up as its principal and retired to enter politics in 1992.

While Ms. Loh came upon China in a Tsang was different from many of the BC documentary, Mr. Tsang grew up current crop of pro-Chinese legislators the it at home. His father was a clerk at the current crop of pro-Chinese legislators who once backed Britain but switched the pro-Beijing Chinese Chamber of sides to curry favor with Beijing. His Commerce, and from an early age he was encouraged to read news from the motherland. His family was solidly middle tween warm feelings for China and basic concerns about the future surface even in

people like Mr. Tsang. Several years ago, Mr. Tsang's wife and his daughter emigrated to Canada and now hold Canadian passports. Mr. Tsang, too, considered becoming a Cadarin have improved greatly.

Her interest in China was piqued by a 1973 BBC documentary on President

who introduced him to Chinese political nadian citizen hut dropped the idea. His daughter has yet to move back home—to Hong Kong, China.

op Sharry

BRIEFLY

Aboriginal Deal Struck

struck a deal with a key senator Wednesday to adopt an Aboriginal land rights law, a compromise that enabled Mr. Howard to avoid calling early clear into early CANBERRA - Prime Minister John Howard

ing early elections. The hill limits access claims by Aborigines to the vast tracts of lands that the government leases to ranchers, farmers and miners — some 42 percent of Australia's land mass. Aboriginal access mainly consists of the right

to cross the land to hoot or seek water, to visit sacred sites or to hold clan gatherings. Mr. Howard reached the deal with Senator Brian Harradine, an indépendent who holds

balance of power in the divided Senate. equivalent right under state laws.

Blow to Philippine Chief

his attempt to oust a political foe as head of a

Mr. Estrada had ordered the removal of Rich-

ropolitan Anthority but Mr. Gordon challenged

major industrial estate.

his dismissal in court.

Monday and directed Mr. Estrada "to cease and desist" from ousting Mr. Gordon. (Reuters)

NEW YORK - A Pakistani nuclear scientist has fled to the United States and agreed to detail his country's nuclear program, saying he is con-cerned Pakistan might be considering a strike

against India, his lawyer says.

Iftikhar Chaudhry Khan, 29, is prepared to describe Pakistan's nuclear program to U.S. officials, including assistance it has received from China and Iran, his attorney, Michael Wildes said in a statement Wednesday from his office here.

The Pakistani government said Wednesda Islamabad that Mr. Khan had been a low level In the compromise, Aborigines lost a federal civil engineer who did not have access to inright to negotiate land claims, but gained an formation about the country's first-strike

(AP) -- strategy -----Aid Groups to Quit Kabul?

SUBIC BAY, Philippines — A Philippine court dealt President Joseph Estrada a setback on his first full day in office Wednesday by stopping if the Taleban religious army forces them to relocate to abandoned dormitories.

On Monday, Radio Shariat said the Taleban had decided to relocate an estimated 38 inard Gordon as chairman of the Suhic Bay Met-ternational aid groups into Soviet-huilt dorm-

itories within the next month. Western aid worker warned Tnesday that such is dismissal in court.

Judge Eliodoro Ubiadas, in his temporary rea move would lead several humanitarian groups
to leave Kabui.

(AP) straining order, called a hearing of the case for to leave Kabul.

U.S. Says Arms Sales To Taiwan Will Go On

SHANGHAI - The United States on Wednesday restated its determination to continue to sell arms to Taiwan despite

Beijing's objections.
"We'll continue to sell arms to Taiwan consistent with our law and the three communiqués," the depury national security adviser, James Steinberg, told reporters accompanying President Bill Clinton on his state visit to China. "Our arm sales are exclusively defensive and for the legitimate defensive needs of Taiwan.'

A 1982 accord between China and the United States - one three communiques that form the basis of their relat - stated that the United States intended to reduce gradually its arms sales to Taiwan while China asserted its commitment to a peaceful resolution of the Taiwan issue.

of the bargain.
"The Chinese say their goal is peaceful reunification," he said referring to Taiwan. "What we would like to see is a renunciation of force and commitment to subscribe exclusively to peaceful means." No immediate comment was avail-

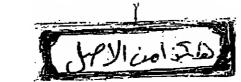
China considers Taiwan to be the most sensitive issue in its relationship with the United States and has pressed Washington to halt its sale of increasingly advanced weaponry to the island, which it considers a renegade province. But the United States has refused.

Mr. Clinton defended U.S. arms sales to Taiwan on Monday at Peking University. He said that U.S. policy is that any weapon sales to Taiwan "must be for defensive purposes only," adding that "China must not believe that we are in any way trying to undermine our own one-China policy."

Mr. Steinberg said Beijing had not fully delivered on its side

able from Beijing.

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Compiled by Our Staff From Disputcher

PRISTINA, Yugoslavia — Hundreds of ethnic Albanian Army is the guerrilla army rebels regrouped in western fighting for the independence Kosovo on Wednesday in an of Kosovo on behalf of that attempt to stave off advan-southern Serbian province's cing Serbian security forces ethnic Albanian majority. in the secessionist province.

moved westward after Serbian forces recaptured an important coal mine region from Center, which is closed to the the Kosovo Liberation Army on Tuesday.

Reporters in two towns just outside the coal mine said they saw the Serbs in control, with no signs of fighting. Reporters who were taken on a tour of Ade, a village

overlooking the mine, could see heavy machinery operating in the pit.

The conveyor belt that rump Yugoslavia, made up transports coal from the mine to two mammoth electric gen-

Those oo the tour said it appeared that Serbian forces had exercised some restraint

in their assault oo Ade.

The Kosovo Liberation The insurgency has taken The police said the rebels nominal control of at least 30 percent of Kosovo.

The Kosovo Information province's ethnic Albanian leadership, listed casualties in the Belasevac region over the last two days of fighting as three dead and two wounded fighters, and a child and an adult dead and six other civilians wounded.

Some officials abroad fear that the ethnic Albanians' now only of Serbia and Montenegro, could grow into erating plants was operating a major conflict throughout the region, perhaps dragging in Albania and Macedonia.

The main east-west high way between Pristina and Pec has been closed for nearly two There was oot the sort of months by ethnic Albanian atwidespread destruction that tacks and barricades. Traffic accompanied so many other on all highways west and military operations in the Bal-south of Pristina is subject to



Journalists inspecting a trench Wednesday reportedly abandoned by retreating rebels.

ambush by rebel units. Kinkel said Kosovo Albani- oppose the move.

ans should not expect immediate NATO intervention.

He said oo mandate was in question

Council for such an interven-In Germany on Wednes- tion because two council day, Foreign Minister Klans members, Russia and China, He declined to speculate whether intervention was "a

of

Richard Holhrooke, the U.S. oegotiator, said Wednesday the first patrols in Kosovo by diplomats could begin by

■ Patrols Ready to Start

Ulster Assembly Elects Protestant and Catholic

BELFAST — Against the odds of history, Northern Ireland's new Assembly elected a Protestant leader and Catholic deputy Wednesday in its first step down the slow road of governing this divided country

On a 61-to-27 vote after three hours of sometimes bitter and abusive debate, the Ulster Unionist Party leader, David Trimhle, became the Assembly's first minister and the Social Democratic and Labor Party deputy leader, Seamus Mallon, became its deputy first minister.

Among the politicians who gathered around a vast U-shaped table were convicted IRA bombers and gun-runners, slayers of Catholic civilians, retired cops and British soldiers - and a camp of Protestant hard-liners determined to scuttle the whole

Turkish Government **Dodges Censure Bullet**

ANKARA - Prime Minister Mesut Yilmaz survived a tentative opposition hid on Wednesday to bring down his rocky coalicon, which is at odds with the army over

Opposition deputies failed to garner enough votes to censure State Minister Eyup Asik, accused of failing to ensure the arrest of a rightist gunman. Under Turkish political tradition, a government should quit if it cannot protect one of its ministers from

Cyprus to Issue Papers To Send Migrants Back

NICOSIA --- Cyprus said Wednesday that it would issue travel documents to more than 100 African and Arab migrants rescued this week after an 11-day ordeal drifting on a small fishing boat without food or water in the Mediterranean.

Immigration authorities would issue documents to the 116 migrants which would enable them to return to their countries, Interior Minister Dinos Michaelides said to

So far, he added, none had sought political asylüm.

For the Record

Russia's Constitutional Court will consider in mid-July whether President Boris Yeltsin may run for a third term as president in elections in 2000. Mr. Yeltsin has said he will not run again, but his aides have oot ruled out another term. (Reuters)

U.S. Cools Its Support for Ethnic Albanians, Seeing Risk of a Regional War

By Barton Gellman

WASHINGTON - Alarmed by the swift success and broad ambitions of rebel ethnic Albanian forces in the Serhia's Kosovo Province, the Clintoo administration has launched intensive talks with the rebels in an effort to curtail their military campaign and prevent a feared regional war.

Negotiations with the Kosovo Liberation Army, an ethnic Albanian force demanding full independence from Serhia, reflect a sobstantial shift of em-

placed the onus for the fighting on Albanians. Slobodan Milosevic, president of rump Yugoslavia, and it has supported Ibrahim Rugova, a moderate, as the only important political leader of Kosovo's ethnic Albanians.

Now, American officials are calling for restraint from the rebels as much as from President Milosevic, and they are offering the guerrillas a place at the cegotiating table as political compen-

Although Mr. Rugova continues to Until now the U.S. government time, that he cannot speak for the ethnic have receded for now.

The United States and its European allies favor strengthened autonomy for the ethnic Albanian majority in Kosovo, but not an independent state.

The rebel forces oot only seek a state of their own hut also have a disquieting tendency - in the U.S. government's view - to speak of interests in the Albanian populations of oeighboring Macedonia and Montenegro, as well as in Albania itself.

In practice, the oew emphasis on insist that he can speak for the rebels in slowing the rebel advance means that negotiations with Belgrade, the Clinton threats of NATO military intervention administration said Tuesday, for the first against President Milosevic's forces

bright, speaking with ABC News on Tuesday, repeated a three-week-old formula describing NATO military planoing as "accelerated." But other officials ooted that Pres-

ident Milosevic has behaved with some restraint in recent weeks, eveo as the rehels scored military successes. An allied diplomat, interviewed by telephone, said that "in present circum-stances, where the KLA is doing pretty well on the hattlefield, Milosevic is not

Secretary of State Madeleine Al-

"It looks less plausible to believe there would be NATO air action," the diplomat added.

single-handedly slaughtering inno-

That might change, he said, if there were "a significant Serb offensive which led to widespread killing of inoocent Kosovar Alhanians, and/or widespread ethnic cleansing.

The Kosovo rebels have stunned Washingtoo — and no doubt themselves as well, one U.S. policymaker said with their explosive growth in military and political strength since March.

A year ago they could boast no more than. 100 fighters and little popular support. At the time, an American eovoy negotiating in the Balkan conflict, Robert Gelbard, dismissed the armed group as little more than a "terrorist At present, according to U.S. assess-

ments, the rebels control about a third of Kosovo's territory and command the sympathies of 80 percent of the popu-

Under any circumstances and, very sadly, I have to say that we're convinced that the fighting is going to cootinue," a high State Department official said

Tuesday. Reports from the region said a Serbian assault had recaptured an important coal

mine from the ethnic Albanians. Last week, the special U.S. eovoy, Richard Holhrooke, became the first American official to meet publicly with guerrilla fighters, allowing himself to be photographed with a Kalashnikovwielding officer in the Kosovo village of

Mr. Gelbard, meanwhile, has sought contacts with rebel political leaders and those such as Adem Demaci - a Rugova rival - who offer themselves as intermediaries.

iog reporters Tuesday, sought to soften on ethnic Albanians. the blow to Mr. Rugova by describing him as "central and indispensable," saying the U.S. looked to him and his aides to speak for the interests of the ethnic Albanians.

American and European experts said inevitable in present cooditions.

they were hampered in their efforts by ignorance about the rebels' true leadership and political program.

One problem is that, on the military side, there is oo clear Albanian chain of command with which to deal oo talks about a cease-fire," said Mr. Holbrooke, according to The Associated Press. "This is a marked difference from Bos-nia," added the diplomat, who led U.S. efforts to broker the 1995 Dayton peace accord among three rival Bosnian fac-

Another administration official said: "It's oot like you can walk up to a telephone directory, or say, 'Take me to your leader.' '

'We oeed to get much more precise informatioo from them on what they represent," said a third official, who has met with the rebels.

When President Milosevic first tried in March to crush the rebels, the United States pressed its European allies for a package of sanctions and military threats to support demands that Serbia with-The State Department official, brief-draw the forces responsible for attacks

Among the U.S. objectives now is to obtain pledges from the rebels that they will not try to take advantage of Serbian withdrawal to launch new attacks, an outcome some U.S. officials regard as

* Pope Sharply Rebukes Liberal Catholics

His Changes to Canon Law Seem Certain to Rekindle Passionate Debate

By Alessandra Stanley New York Times Service

law aimed at stamping out debate on a reversible. wide range of passionately discussed dination of women.

olics, the Pope on Tuesday inscribed holy theology. those teachings into church law, and warned that those who dissent would be subject to "just punishment."

Many Roman Catholic theologians in the United States have questioned Rome's authority on doctrinal matters. In an apostolic letter that was made it. public by the Vatican, the Pope made it clear that he was addressing — and reining io - those academics.

The apostolic letter was both an act of Vatican housekeeping and a cornerstone laid down for this Pope's legacy. On one those theologians who had hoped to keep hand, the Pope was merely filling a gap

in the code of canon law, but his eager- open a discussion of women's ordinness to make his teachings as clear - ation, among other things.

The Pope's letter addressed the church's "profession of faith," a list of essential Catholic beliefs that the Pope reformulated in 1989.

All clergymen and Catholic teachers and theologians are required to follow

By inscribing his teachings about the articles of faith into canon law, Pope John Paul II said he was establishing norms that would "impose the duty to observe the truths.' The decree is likely to disappoint

and as bustime - as possible was one of ... Canon law covers such grave crimes ROME — In one of his shapest re— the most vivid signs yet that in the twi-bukes to liberal Catholics to date. Pope— light of his papacy, Pope John Paul II, at John Paul II has made changes to canon—78, is seeking to make his rulings ir—

The most vivid signs yet that in the twi-church considers "divinely revealed truths," as well as far lesser crimes, but does not deal with those who disavow The Pope explained he was acting "to truths that the church holds to be "definissues, including enthanasia and the or- defend the faith of the Catholic Church itive." In a sense, the Pope was closing a nation of women.

Reasserting the articles of faith that some of the faithful, above all those who logians to expound a more liberal in-'definitive" and binding to all Cath- dedicate themselves to the disciplines of terpretation on some issues than Rome

The apostolic letter did not specify which teachings the Pope was address-ing, but it was published aloog with a doctrinal commentary written by Cardinal Joseph Ratzinger, who heads the Congregation for the Doctrine of the Faith and who is the Vatican's leading conservative thinker.

Cardinal Ratzinger's definitions of what constitutes "infallibly taught" doctrine are likely to rekindle dehate among theologians on the issoes of sexual relations outside marriage, euthanasia

Galina Brezhnev, Leonid's Daughter, Is Dead

By Michael R. Gordon

New York Times Service Brezhnev, the high-living daughter of the former Soviet leader Leonid Brezhnev, died Tuesday in a Moscow hos-

Galina Brezhnev was oever involved in politics but she figured in some major scandals in the last years of Soviet

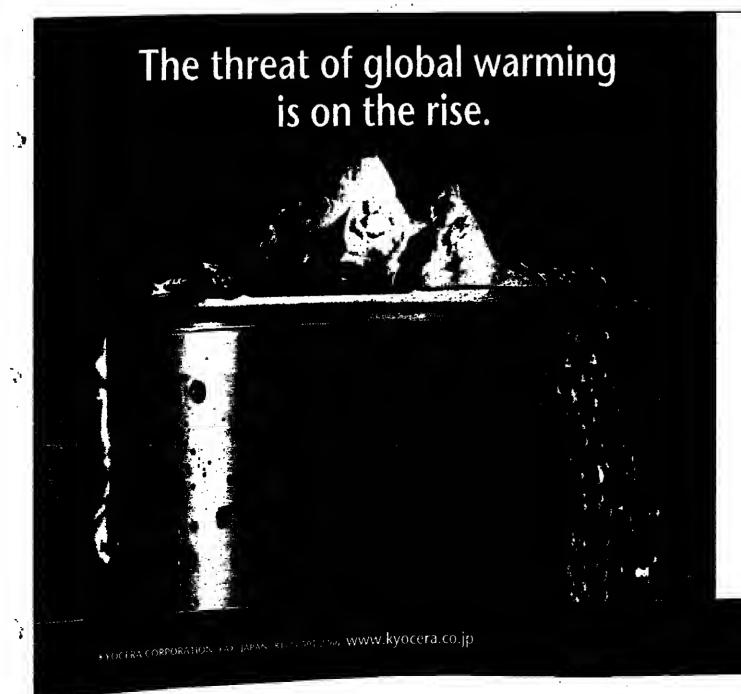
oon of the Soviet aristocracy.

A hard-drinking member of the Soviet elite who liked to race her father's Mercedes, Miss Brezhnev had her first brush with scandal when she was just 22 and ran away with

a circus acrobat. 'He could hold 10 people televisioo observed Tuesday night. "Galina got married quite ofteo." She remained infatuated with the circus and with circus performers for

several decades. In 1982, a close friend from the circus, knowo as Boris the Gypsy, was arrested and charged with smuggling. The arrest took place when Yuri by Mr. Andropov to positioo himself to succeed Mr. Brezhnev as Soviet leader.

Mr. Brezhnev died in 1982. That was not the end of her ootoriety: In 1988, her husband Yuri Churbanov was arrested for taking bribes and on his shoulders but failed to Andropov was head of the imprisoned for six years.



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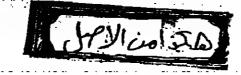
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*Kyocera holds the world record for conversion efficiency in a 15cm by 15cm multicrystal photovoltaic cell: 17.1%.



INTERNATIONAL

Elsewhere in Asia, Anxiety and Outrage Over Clinton's China Policy

By Sonni Efron, Henry Chu and Mark Fineman Lus Angeles Times Service

TOKYO - Even as President Bill Clinton spoke optimistically about someday bringing the Chinese into the world trading regime, Asian leaders from New Delhi to Taipei to Tokyo were reacting with deepening anxiety and, in some quarters, embittered outrage to what they see as his unabashed, passionate embrace of China.

Mosi Asian countries, with the notable exception of India and Taiwan, welcome at least publicly the prospect of smoother U.S. relations with China and the regional stability that is expected to ensue.

engaged in a subtle rearrangement of its Asian ded. "That Clinton has fallen into that kind of relationships, putting China atop the list ahead of trap is unfortunate. U.S. policy toward Taiwan is

Reaction in Taiwan on Tuesday was swift and sharp to Mr. Clinton's public declaration in Shanghai of what are called the "Three No's" that the United States would not support the independence of Taiwan, the creation of two Chinas or Taiwan's admission to the United

'It's wrong, morally and politically, for Clinton to collude with the Communist dictatorship to restrict the future of a democratic country, Taiwan," said Parris Chang, a legislator with the Democratic Progressive Party, which supports

ith China and the regional stability that is pected to ensue.

Taiwanese independence.

"Beijing is trying to manipulate the United States is States to isolate Taiwan diplomatically," he ad-

any return.'?
The Japanese government has been determinedly restrained and diplomatic as Mr. Clinton and Treasury Secretary Robert Ruhin criticized Japan's economic policies to audiences in China

— a developing nation with an economy one-seventh the size of Japan's that remains dependent on Japanese capital, trade and development aid for its modernization efforts. But the Indian government and media erupted with anger at what they saw as the hypocrisy of the joint U.S.-Chinese declaration condemning

recent nuclear weapons tests by India and Pakistan and promising to work together to discourage a nuclear arms race in South Asia. Just hours after Mr. Clinton and President Jiang

Zemin signed the statement in Beijing, the Indian

hegemonistic mentality of a bygone era."
India, which fought a war with China in 1962, specifically cited a Chinese nuclear threat to its

national security in justifying its five nuclear weapons tests in May.

U.S. intelligence officials suspect that China may have helped Pakistan with nuclear technology that enabled it to conduct retaliatory atomic bomb tests two weeks after India's this spring. But the United States also gave Pakistan hundreds of millions of dollars in military aid in the

1980s, when as a key Cold War ally it helped drive the Soviet Union out of neighboring Afghanistan. 'It is most ironic that two countries that bave directly and indirectly contributed to the unabated proliferation of nuclear weapons and delivery systems in our neighborhood are now presuming to prescribe norms for nonprolifer-

such tradioonal allies as Japan and Taiwan, has sent shock waves through the region.

on a slippery slope. More and more, the United Foreign Ministry denounced it as reflecting "the sent shock waves through the region.

on a slippery slope. More and more, the United Foreign Ministry denounced it as reflecting "the stion," the Indian Foreign Ministry said. There sent shock waves through the region.

States is making concessions to China without hegemonistic mentality of a bygone era."

was a deafening, but expected, silence from was a deafening, hut expected, silence from Pakistan, which like India is now subject to U.S.

economic sanctions because of its nuclear tests. China is one of Pakistan's closest allies and key military suppliers and the highly nationalism Pakiatani press has reported with little or no comment about the tour by Mr. Clinton.

In Japan, public and private reaction about the U.S.-Chinese developments was more despondent than angry. The influential Nikkei financial daily newspaper reported that "Japan, wedged between the United States and China, lends to feel victimized by both sides, with the United: States engaging in Japan-passing and China applying 'pressure from the new Asian giant.'

A senior official and a private analyst both said that Tokyo fears China may be trying to "drive a wedge" between the United States and Japan.

Detainee In Nigeria May Be Released

ABUJA, Nigeria — A senior Ni-gerian official said Wednesday that the United Nations secretary-general. Kofi Annan, had met with the detained opposition politician Moshood Ahiola and discussed terms for his possible release.

"I can assure you that the two men have met and also that no final conclusions have been made as regards a release," the senior official

The official declined to give the exact time and place of the meeting. UN officials said that they could not confirm or deny that any meeting took place and added that any questions would be answered by Mr. Annan at a briefing Thursday.

Everybody wants Ahiola to be free, but he must understand that any mandate he may have had has by now expired," the official said.

Mr. Abiola declared himself president in 1994 on the hasis of winning the 1993 elections. Those elections had been voided by the military, though international observers bad declared them fair. The military ruler, General Sani Abacha, ordered Mr. Ahiola de-tained. General Abacha died sud-denly June 8. His successor, General Abdulsalam Abobakar, has

freed at least 30 detainees. Earlier in the day, the Commonwealth secretary-general, Emeka Anyaoku, also met with Mr.

A Commonwealth official said be was nnable to reveal what the two men discussed. Mr. Anyaoku is on a five-day visit to Nigeria.

The Nigerian foreign minister,

Tom Ikimi, suggested in an interview with the BBC that it appeared an agreement could soon be found on releasing Mr. Abiola.

The "circumstances of Chief Ahiola's detention have to do with his declaring himself president four years ago, which is indeed treas-onable in the Nigerian law," Mr. Ikimi said

"But, of course, this is the time for reconciliation, the time for actually putting things behind us, and I would not be surprised if all sides, including Chief Ahiola and the government, reach some agreement that would be in the best interests of our country.'

The rumored arrangement is that Mr. Ahiola would agree to give up his claim to the presidency and the government would give him some recognition in an interim govern-ment, leading to eventual elections.

General Abubakar has pledged to make way for an elected govern-ment by Oct. 1. (Reuters, AFP)

New UN Sanctions

For Angola Rebels

UNITED NATIONS, New York -

Angola's former rebels came under

strong new UN sanctions Wednesday

The Russian ambassador, Sergey

UNITA doesn't implement its ohliga-

to hand over its central highland strong-

government in Lusaka. Zamhia, to end the two-decade civil war. But UN of-ficials have complained that UNITA has consistently stalled in carrying out the

The latest deadline to comply was

Wednesday, and the triggering of sanc-

The sanctions come as the United

Nations tries to regroup its mission fol-

lowing the death of the special UN en-

tions was automatic.

a pirne crasb Friday.

President Clinton visiting an Internet café in Shanghai on Wednesday as students showed him their computer.

STRIKE: General Motors Prepares for a Long Work Stoppage

Continued from Page 1

competitors have taken steps to improve productivity, to contract out parts manufacturing, known as outsourcing, and to respond more quickly to changes in the markemlace.

But union workers at the parts plants whose walkout precipitated the sbutdown fear that those gains in productivity will only come at the expense of their

nearly twice as many people as at Ford today it's 31.4 and falling. and Chrysler.

Those numbers translate into big differences in the bottom line. Last year, GM earned an average of \$850 on every vehicle it made, compared to \$1,520 at Ford, according to Harbour & Associates Inc. of Troy, Michigan, a consaltant to the Big Three antomakers on

manufacturing productivity.

"This is a very crucial strike," said a identified. "Everybody here on Wall the union has broken its promise to Street knows that it's going to cost GM change work rules that allow about in the short term." But, he added, "if 1,500 workers in the factory to go home GM comes out on the right side of this, after they have completed their daily GM gets more flexibility in terms of production quota.

work rules and outsourcing and becomes more competitive. The outcome will gauge for the next five to 10 years on how much more competitive GM can on and collect overtime for the last four

become — or not become."

An auto industry analyst, Scott Merlis, of Merlis Automotive International Inc., predicted GM could lose at least changed. one-half of a percentage point from its shrinking market share if the strike is not ally trimmed 297,000 hourly workers

Executives from other auto companies said privately this week that they believed GM bad made a conscious decision to lose more market share if necessary, as long as the payoff is going to be increased productivity.

At the Flint metal stamping plant where the current strike began June 5, the union claims the company has "This is a very crucial strike," said a reneged on a promise to invest \$300 wall Street analyst who asked not to be million in the plant; the company insists

GM says this rule allows many workhours of the shift, GM says. The com-pany has said it will not invest another dollar in the plant until the rules are

settled soon. As recently as 1978, GM from its U.S. work force, cutting the had a 46 percent share of all vebicles overall work force from 520,000 to afforded. One example: It takes 34,000 parts sold in the United States. By 1988, that 223,000, mostly by attrition. But Ford workers to make 1 million GM cars, number had dropped to 35.2 percent and and Chrysler, faced with the prospect of bankruptcy in the late 1970s and early 1980s, cut their already smaller North American payrolls in half to survive

GM long has been criticized for moving too slowly in closing plants and reducing production costs. But Harbour contends that, until recently, GM slowly had been closing that gap.

Ford and Chrysler were not sitting around waiting for GM to catch up. GM's two biggest rivals accelerated their cost-cutting programs, thereby once again widening the gap — and forcing GM to take a tougher stand with the United Auto Workers union.

CLINTON: China's Course Draws Praise

Continued from Page 1

to exert influence, rather than trying to act unilaterally.

And so the United States's role l think is to try to create a structure where more likely than not the right things will be done when problems arise - not to just do it all ourselves or tell other people what to do," Mr. Clinton said.

He was sending subtle and somewhat contradictory messages to different audiences in China. His words offered reassurance to President Jiang Zemin and other leaders in Beijing that the United States would not and could not impose its will on China

But he was also signaling to the Chinese public — and to domestic critics of his policy of engagement with China
— that he would continue to press Beijing to allow greater personal free-dom and take steps toward a more open political system.

'I think there's a genuine movement toward openness and freedom in China, which ohvionsly as an American, and as an American president, I hope will con-tinue and increase and which I believe is right — morally right — hut I also think it's good for China." he said.

conducted hy Shui Junyi, anchor of CCTV-1's popular public affairs program "Focus" and Chen Xiaowei, an anchor on CCTV-4, the state network's ber of car companies was bound to dig international channel and host of a Sun-

day news program. The questioning was gentle, particnlarly compared to the grilling Mr. Clinton got from several students at Beijing University on Monday, who challenged him on U.S. policy toward Taiwan and human rights in America.

He said the most gratifying thing about his trip was the decision by Mr. Jiang to allow their press conference and the Beijing University speech to be car-ried live on Chinese television.

He said he was surprised and pleased hy the decision to allow the "open, sweeping communication" with the Chinese people that those two events

'That I think was very good," Mr. Clinton said. "I think it was also good for the Chinese leaders.'

Mr. Clinmn sat for the 20-minute interview at the modern Shanghai Stock Exchange, where earlier be received a rousing welcome from traders on the floor.

At the exchange, Mr. Clinton conducted a roundtable discussion with young entrepreneurs, who told him of the difficuloes in starting a new husiness, securing venture capital and deal-ing with the bureaucracy. Mr. Clinton told the husinessmen that they were an important force for change in China and a source of the new jobs that will be needed as state-owned enterprises

cultural exports. "In Canada, we also know, however, that culture is more than

Mexico, though it shares a long border with the United States, feels protected

from overexposure to American culture

grams are popular, but the need for trans-lations limits their appeal.

American films and television pro-

hy the Spanish language.

Hollywood.

In the afternoon, Mr. Clinton visited a housing development to witness a relatively new phenomenon in China:

private ownership of homes. The Jin Hui Gardens complex opened five years ago, offering Chinese families the opportunity to buy their own apartments for between \$42,200 and \$96,500, according to figures provided by the

Mr. Clinton told families assembled at, the development that home ownership! represents an investment in society and the bedrock of middle-class life.

"All China benefits from more homeowners because that means more.

jobs, a stronger economy, stronger families," Mr. Clinton said.

"And, of course, when people own their own homes, they are free to take." new jobs without worrying about losing

housing benefits.
"We also see around the world that homeowners take more responsibility for the communities in which they

s good for China. The said. The interview with the president was Talks on Volvo Link

minish greatly, with some analysts forecasting as few as 9 or 10 major, carmakers in the future instead of the current 18. In comparison to North America, where three domestically: based manufacturers compete in a market of 17 million cars and light trucks. each year, Europe is saturated, with seven companies fighting over a market of

27.00

about 13 million vehicles.

Mr. Piech, the 61-year-old grandson of
the motoring legend Ferdinand Porsche. has often proclaimed that be wants Volkswagen to surpass Toyota Motor Corp. of Japan by next year as the world's third largest car company, behind Ford and General Motors. VW bas been on a buying binge, agreeing to buy the luxury carmakers Rolls Royce of Britain and Lamborghini of Italy to expand its range of vehicles beyond the VW, Audi, SEAT

and Skoda labels. Analysts said that VW's primary interest in acquiring Volvo would be the Swedish company's profitable heavy truck husiness, which would allow it to compete head-on with its German rival Mercedes-Benz, which is now Europe's largest truckmaker. An acquisition would also help VW keep pace as Mercedes parent, Daimler-Benz AG, completes a

\$43 hillion purchase of Chrysler Corp. In a recent interview with the Frankfurter Allgemeine newspaper, Mr. Piech spelled ont his amhitious goals for Volkswagen, which he has transformed into a profitable global giant with one of the industry's widest ranges of models since he took over the company in 1993.

Whether it is cars or trucks, I think in the next 10 years we will add further brands to the group and offer six car and three truck brands," Mr. Piech said.

Volvo, which is worth about \$14 hillion based on its current share price, has mulled over previous partnerships but invariably backed away, largely because of a determination to sustain the company as a national manufacturing emblem.

Plans to merge with the French carmaker Renault collapsed in 1994. Sinc. then. Volvo has lagged behind other carmakers as it concentrated on selling assets to streamline production. It now ranks as the seventh-largest European automaker. and its shrinking size has made it more vulnerable to pricing pressures.

Analysts stressed that any deal would probably require Volkswagen to pay a huge premium to persuade Swedish shareholders to part with ownership in a company still seen as part of the national patrimony. Volvo shares rose 19.5 kronor Wednesday, to 251.5 kronor (\$31.51); those of Volkswagen rose 69 Deutsche marks, to 1,812 marks (\$1,002).

Swiss Criticize Lawsuit By Holocaust Victims

ZURICH - Switzerland on Wed-

nesday criticized the latest U.S. lawsuit by Holocaust victims seeking compensation for assets it allegedly took from Nazi Germany during World War II. The suit filed in Washington this week

against the Swiss National Bank is "politically unacceptable and legally un-tenable," the government spokesman. Achille Casanoya, said in Bern. The government supported the bank's position that it would fight the classaction snit and not join talks among

Swiss commercial banks, Jewish groups and Holocanst victims seeking a setlement of wartinge claims. The latest suit demands the return of gold and other assets that the bank allegedly took from Nazi Germany and an audit of its transactions from 1939 to

CULTURE: U.S. Gets Cold Shoulder at Conference on Protection of National Heritages Here in Ottawa, concrete actions Canada come from other countries, lywood has to offer, 'said Mrs. Copps, an outspoken critic of U.S. policies on the U.S. p

Continued from Page 1

send observers from the embassy in Ot-

Observers and participants said the morning sessions went by without any open hostility to American policies. Still, American officials tried their best to keep the ohvious slight from

turning into yet another dust-up over cultural policies. Gordon Giffin, the U.S. ambassador to Canada, said he met recently with Canada's minister of heritage and cul-

length the hlurry line between culture and the entertainment industry. 'I'm hopeful that we'll be able to try to work things out," said Mr. Giffin, who attended a dinner Monday night for the culture ministers at the Canadian Museum of Civilization in Hull, Que-

ture, Sheila Copps, and discussed at

after failing to abide by terms of the 1994 peace plan, UN officials said.

The sanctions freeze UNITA's foreign bank accounts, ban its diamond Not everything that transpired here was as low key as Mr. Giffin's statement exports and prevent all air and water transport into and out of rebel-held tersuggested. Canada and Mexico share little with countries like Iceland, Croatia and others that attended the meeting here except a fear that Hollywood and the Layrov, said the Security Council

American entertainment threaten their cultures. couldn't rule out future sanctions "if The countries that participated want to form a special partnership with The Council approved the sanctions enough clout to ensure that culture is last month to punish UNITA for failing treated as an important characteristic of a nation's identity — not just another cat-egory of merchandise governed by new international treaties that seek unresholds to the government and take major steps to demilitarize its armed forces. UNITA agreed to do so as part of the trained trade-including films, televi-1994 peace agreement signed with the

sion programs, books and magazines.
"Culture should not be locked up in agreements on investment," said Marita Ulvsko, Sweden's minister of culture. At a similar meeting on culture in Stockholm in March, sponsored by the

United Nations, delegates recognized a need for closer cooperation to protect their cultures. They agreed to press for special exemptions for cultural needs in negotiations for the latest global trade pact, voy to Angola, Alioune Blondin Beye, in the Multilateral Agreement on invest-

seemed to be few beyond establishing a primarily the United States. worldwide wehsite for culture minis

But there was an outpouring of concern over the loss of culture to the mar-

Because most of its population shares

both the English language and a con-tinent-wide border with the United States, Canada is in a unique position. Sixty percent of all the books sold in

Three-quarters of all the music played

on Canadian radio is not Canadian. Four or five magazines sold on newsstands in Canada are from abroad, primarily the

majority from Hollywood. "We appreciate the best that Hol-

And when it comes to films, 96 percent of what is shown on Canadian screens is foreign, the overwhelmingly



AUSTRIA TAKES OVER — Chancellor Viktor Klima of Austria, left, with Presidents Jacques Santer of the European Commission, center, and Thomas Klestil of Austria during a "Festival for Europe" in Vienna on Wednesday as Austria took over the six-month presidency of the European Union.

INTERNATIONAL

From Gucci, a Flash of Optimism

By Suzy Menkes International Herald Tribuni

MILAN - Sport, sex and celebrities -but not necessarily in that order - are at the heart of the current summer menswear season.

With clothes looking at first glance like something you might have in your sports locker or buy from The Gap, the designer skill lies in giving sportswear a

Two American designers defined the spirit of the season. From Calvin Klein on Wednesday came a monochrome collection of luxurious clothes inspired by

MILAN MENSWEAR

active wear - down to the drawstrings at waist and ankles that made jogging pants out of business suits. They just might play for Casual Friday on Wall

Gucci's Tom Ford showed a candycolored. larger-than-life side of highaction America — with rapper pants, surfing boots, rose-tinted shirts and rhinestone cowboy gear. His flash was a

After four days of viewing tasteful minimalist menswear with sporty de-tails, the fashioo pack was ready for something different. And Ford knows how to deliver, from the specially com-missioned rap music of Puff Daddy beating out "Gucci" to the fast-paced movie backdrop of swelling waves or a road movie on the Las Vegas strip.

"Optimism — I want people to be happy," said Ford backstage about the upbeat message of colorful clothes that incloded romantic flower prints used as

pants. Think of a sleek mache version of Dolly Parton and you get an idea of the sugar-pink color palette and the Midnight Cowboy gear decked out with feathers, but wom with simple T-shirts.

Ford's strength is that he presents his brief collection at a rollicking pace and with a sense of humor. At one powerful moment, the Gucci show hip-hopped between Italian elegance and American cool, mixing sharp-shouldered, double-breasted jackets with ultrabaggy pants low-shing at the waist. That was the nearest the show got to a suit — from a designer whose skinny jackets and pants have defined the look of the 1990s.

For sportswear de luxe there were rapper-cum-cargo pants in soft leather or luxury sweats with padded knees and ankles. And Ford never forgets those juicy Gucci trademarks: the red-andgreen striped webbing dangling from zippers at flies or ankles; or Guccimeets-Nike sneakers in "G"-print can-

It takes verve and nerve to know when to break your own mold. With this collection, Ford again set Gucci's cracking

Calvin Klein was heavily into sport, but with the lightest of fabrics that made jackets seem weightless, track tops no more than booded shirts and sweatshirts sheer veils across the chest.

"I always work out," Klein said after the show, kidding about the sporty message that brought more strings than you would find on a parachote. They hung from jackets, parkas and from waists or

Since shapes were easy --- square-cot

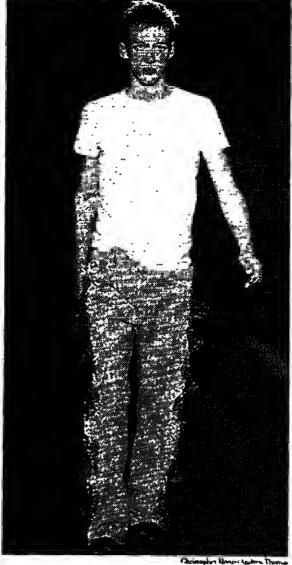
a touch of embroidery on a military shirt, utility shirt-jackets and fluid pants - the or to eye-popping effect on scuba-diving message was in the fine-tuned details and in the fabrics, which were natural blends with rough, dry textures. There were nice touches to the leather outfits, like the snede polo shirt perforated into a sports mesh.

If the workwear feel of the casual clothes was fine, the suits for work posed a problem. The big ease seemed to make the unconstructed shapes sloppy and soggy. Putting sheer polo shirts underneath or offering drawstring pants seems like a runway gimmick.

It was back to the locker room - or rather, ice-skating rink - for Dirk Bikkembergs, whose sportswear message was about sweaters plunging over muscular pectorals, pants flashed down the side and coats fastened with squares of velcro. Fabrics with a sheen and graphic patterns made the collection dynamic, but showy.
Trussardi fielded the movie celebrity

Stephen Baldwin (Alec's hip younger brother) sitting front row. The essence of cool, he opened lazy, heavy-lidded eyes on the sweaters and cardigans that were zippered, or with the mevitable drawstrings. With its utility jackets, over-shirts and crunchy sweaters, the show hit all the trends, adding hunter-soft leather for a luxurious cycling vest, for the clear, heart the crunch shorts and for the classy bags the guys toted ooto the runway.
In a move that called into question her

commitment to European expansion, the American designer Donna Karan canceled on short notice her Milan presentation, which was to have taken place Wednesday. At her showroom, a notice told visitors the show would be held in



Gucci's rhinestone cowboy pants with T-shirt.

A Shrine to Diana Delights the People

Spencers Open Museum to Public

GREAT BRINGTON, peace." England - Admirers of Diana, Princess of Wales, many stately home in central Engbearing armloads of lilies, land, a Diana museum - the passed through the imposing stone gates of her ancestral home Wednesday to pay respects near her grave site and to see mementos of a life that ended dramatically nearly a dress and poignant films of

year ago. Althorp House, the Spencer family's rural estate, flung open its gates Wednesday to welcome Diana fans and curious onlookers to a new museum and a first glimpse of the island where she is huried.

Oo the day that would have reflective." been her 37th hirthday, they went to see the letters she wrote as a schoolgirl, the

All are on exhibit in a new museum huilt hy Diana's who pursued her until death. brother, Earl Spencer, at the Althorp estate in rural Northamptonshire that is open to paying visitors for the next two months. Daily vis-itors are limited to 2,500 people with pre-purchased tickets.

Lord Spencer has sold nearly 150,000 tickets, at prices ranging from £5 (\$8) for children to £7.50 for senior citizens and £9.50 for adults. He has said that profits will go to charity.

Visitor facilities at Althorp include a restaurant and a shop selling a range of sou- said. venirs associated with Diana, TORONTO - Many Canadians think the country's motto "hut not cheapening her memory in any way," the esis France's "liberty, equality and fraternity," according to a National Day survey, and only half the 1,500 respondents got tate says.

Lord Spencer, greeted the visitors with smiles and posed photographs in the grounds of the house, which cynics have called "Dianaville," hut which the first delighted tourists said was tasteful and dignified.
"It is wonderful,"

Susan Shepherd who came with her 11-year-old daugh-

her. I can feel she is bere.

There is a fantastic feeling of

Inside the grounds of the first and so far only memorial to the "People's Princess" - celebrates her life with exhihitions of ber toys, clothes. her romantic 1981 wedding her as a carefree child dancing in the gardens and later on a ride with her sons. Princes

William and Harry. "It was very tasteful, well put together and very moving," said Susan McNulty, 33. "People were quiet and

From the early school reports to moving footage of her funeral, the museum traced the life of the girl who became strunning silk dress she wore as a bride setting out on an ill-fated royal marriage and the high-fashioo outfits she later unique blend of glamour, compassion and love-hate relationship with the media

But the men in her life were notable only for their abseoce. Visitors said the museum made oo mentioo of Dodi al Fayed - the man who died with her in the Paris car crash and who appeared to have won her heart in the last

two months of her life. Prince Charles, her estranged husband, is oot featured promineotly in the exhibition, and Diana's former lover James Hewitt is oot referred to at all. "It's as if the Spencers are trying to reclaim her as their owo," one visitor (AP, Reuters)

■ Ratifying Mine Ban

Completing an about-turn oo Diana's hirthday, Prime Minister Tony Blair said Wednesday that a hill to ratify an international treaty banning land mines would be published oext week. The Associated Press reported from Loodon.

"If legislation is completed in July, as we wish it to be, theo we will be amoogst the first 40 nations to ratify— as we promised to do." Mr. 'It is the right place for Blair told the House of Com-

BRIEFLY

New Resistant Strains of HIV Described as 'Wake-Up Call'

GENEVA - Researchers said Wednesday that the emergence of transmissible strains of HIV that are reasstant to the Rebels Claim They Killed Singer most potent drugs should be an important warning sign but not a reason to panic

American and Swiss scientists reported cases of men who had been infected with a strain of the virus that was able to multiply even in the presence of protease inhibitors, the most

powerful weapon against AIDS.
The 12th World AIDS Conference was told of the case of a middle-aged San Francisco man who was infected with HIV that was resistant to six of the 11 marketed anti-retroviral drugs, including protease inhibitors. A similar case in Geneva

Dr. Anthooy Fauci, of the U.S. National Institutes of Health, said the reports were "a wake-up call" and that the men with the new strain were in a similar position to people guerrillas for the killing.

Jo Reinders, a Dutch activist, said, "We should be very National Test Stumps Canadians aware that the HIV epidemic is not over. With this case you can see again the importance of prevention."

infected in 1983 when there were no anti-viral drugs.

ALGIERS - Algeria'a most radical guerrilla faction, the Armed Islamic Group, has claimed responsibility for the killing of the Berber singer Lounes Matouh, according to a statement published in Algeria and abroad.

Mr. Matooh was a popular figure outspoken in his opposition to both the government and Islamist rebels. The rebels' statement called him "among the most stuhborn enemies of religion." His murder last week sparked riots in Berber-dominated northeastern Kabylie in which at least four protesters were killed and scores wounded.

The rebel claim could not be confirmed by independent sources. But the Algerian government has blamed Muslim

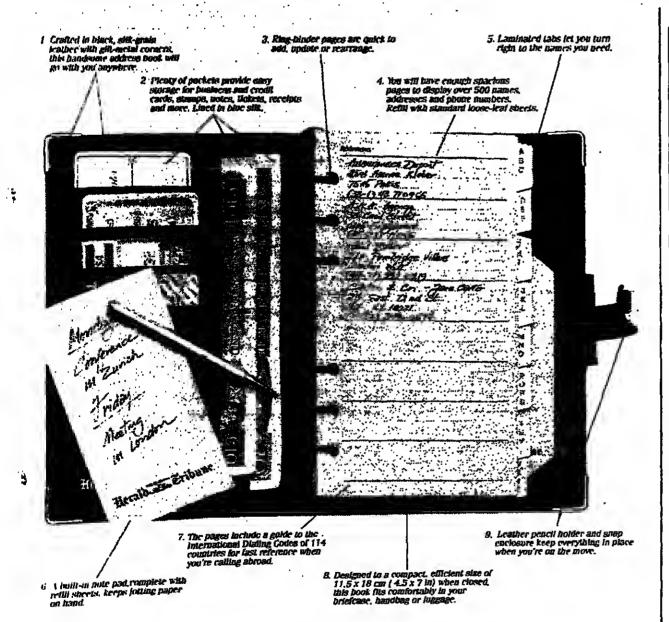
a passing grade oo questions about history, politics and

geography.

The results gave fresh ammunition to those who say that Canadians know too little about their country.

15 Injured in Guyana Protest GEORGETOWN, Guyana — At least 15 people were injured when police fired rubber bullets to disperse anti-

government protesters in Guyana's capital. The demonstration by about 200 people was organized by followers of a former president, Desmond Hoyte, who has ed Muslim refused to recognize the election of American-born Janet (Reuters) Jagan to the presidency in December. | Reuters |



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Computer Plumbs Michelangelo's Pieta

Can 80 Gigabytes Solve an Artistic Enigma?

By Michael Specter
New York Times Service

ILORENCE — He was a sick old man when he started the monumental project, unable to climb stairs without pain. Ofteo, he could not work. But at some point in the middle of the 1540s, Michelangelo began carving what many art historians regard as his most mature and provocative sculpture, the piece now known as the Florentine

The sculpture was enormous — nearly 2.5 meters (8 feet) tall. Michelangelo intended the statue for the top of his own tomb. But one day, without a word of explanation and after a decade of brutal labor and emotional pain, the artist took a sledgehammer to it.

He broke away hands and arms and legs and oearly destroyed the work before one of his most devoted servants dragged him away. Eventually it was patched together by ooe of his less talented assistants.

'Why did he do it?" asks Jack Wasserman, professor emeritus of art history at Temple University, echoing a question that has tormented researchers for four centuries. "What was it that happened that led him to break apart one of his greatest works of art?"

The usual answers — that Michelangelo was a perfectionist, that he was enraged by discovering flaws in the marble, that be was angered by a mistake in his compositioo — do not really satisfy anybody.

So at the request of Mr. Wasserman. who is preparing a lengthy book on the Pieta to be published this year by Princeton University Press, a team from the visual — and geometric — computing department at the IBM T.J. Watson Research Ceoter in Yorktown Heights, New York, decided to get in-

Now scientists, armed with special photography equipment, lasers, X-ray machines and the most powerful computers in America, are trying to help resolve one of the most intriguing mys-teries of Renaissance art. But it will not be an easy task.

There are many problems here that I realized I would never solve by normal Mr. Wasserman said. "I wanted to be able to move the statue, to take it apart, to see it the way it was when Michelangelo broke it up. How was I ever going to accomplish any of that?" In addition, Mr. Wasserman said he wanted to be able to lonk at the statue's

SITES

More about the Virtuoso visual shape camera can be found at: www.visint.com/products/virtuoso

index.html The IBM research center's site is at: www.watson.ibm.com/

individual parts and understand what it looked like before the broken pieces were put back on.

Working with a special visual shape camera called a Virtuoso, the IBM researchers are compiling the most complete digital documeotary ever attempted of any scnlpture. Using the camera, which was originally designed for plastic surgeons to take three-dimensional transfer of the complete three-dimensions are three-dimensions. sional photographs, scientists were able to take thousands of accurate 3-D pictures of every millimeter of the gargantuan statue.

The camera works by taking several pictures of images at the same time from slightly different perspectives, creating something like a three-dimensional map of the area. Thousands of maps are made, and then they are merged with the help of the computer.

The camera also takes color pictures at

different distances and in varying light.
They too are hlended by computer.
Working at night wheo the stante's permanent home, the Museo dell'Opera del Duomo, is closed, the team has so far assembled more than 10 million data points - essentially digital recollections of parts of the statue - that will be merged to create with astonishing fidelity the complex contours of the

he team has collected enough data to fill 8 gigabytes of hard disk space — four times the size of a normal hard disk in today's average computer. When they are done, the researchers will have gathered at least 80 gigabytes of information needed to create an image of the statue.

That is actually the easy part. Creating a program that will allow the picture to be compressed enough so that it can be placed on the Internet, and made available to millions of people, might prove far more difficult.

'You see some nice three-dimensional graphics," said Gabriel Taubin, the manager of the visual research team at IBM. "But oot oo this scale. To recreate something as complicated as this statue is an extremely difficult research problem. To merge thousands and thousands of pictures into something that gives the appropriate sense of space and shape and contour is really very hard to do.

"And then to make it approachable by anyone who wants it, well, that's our

Mr. Wasserman has a different goal. He wants to understand the statue and he wants to be able to see it from every possible angle. Once the IBM team finishes its work, it should be possible to look at it with the arms and legs missing and perhaps see what Michelangelo was up to.

It will be possible to look at the monument as if it were on top of an altar important, it will be easy to manipulate rians. Even if the computer can "fix"



Michelangelo's Florentine Pieta in the Museo dell'Opera del Duomo.

the model of the massive block of stone and to vary the light conditions under

Bot there is no computer program, no feat of technical virtuosity or sophistication that could possibly compare to being in the room with the Pieta. It is halking and tragic and dominates the space allotted to it here.

Every statue is a unique collection of shapes, but this Pieta is particularly complex. A computer model might let a viewer get a glimpse inside the head of the artist. One of Christ's legs is still missing. It has been suggested that the only place it could have fit in the composition is draped over the Virgin.

And that might have pushed Michelangelo beyond what he and his church regarded as the bounds of decency. With the IBM mod-el, it will not be difficult to add a virtual leg or to see what sort of statue would have come from it had Michelangelo

or tomb, as the artist had intended. Most Wasserman and many other art histo-

and embellish art, it cannot reproduce it. There will always be only one Florentine Pieta, no matter how useful or important its virtual offspring may become.

This is a profoundly moving and rich reflection of the times in which it was created," said Monsignor Timothy Verdon, who is head of cultural prorams for the Roman Catholic Church in Florence and a historian who has written a chapter, to be included in Mr. Wasserman's book, about the religious

significance of the statue.
"Of the three Pietas that he did, this is the most complex, the most interesting. It is the one that still has the power to

It is the one that sun has the power to move people to prayer."

So, could understanding one of what Father Verdon calls "the great works of his old age, one of the great works of the Renaissance," be aided by the use of fancy technology from the late 20th

"I don't see how," he replied with a bemused smile. "I'm not a Luddite by done the same thing.

There is also a danger, cited by Mr.

any means and I appreciate what Jack is trying to do. I certainly respect his work. But you can look at a model forever and yoo won't see what is in this room."

ALT /Commentary

Mobile Phones Move In On the Terrain of the PC

By Mike Mills

ASHINGTON — How could I help but imagine that I was Val Kilmer in "The Saint"?

I was, after all, racing in a taxi toward La Guardia Airport, tapping furiously on a Nokia 9000i cellular phone/Weh browser/e-mail device — the same gadget that Mr. Kilmer relied on to get him out of trouble in his 1997 master-of-

disguises thriller.

No bad guys were shooting at me from behind. Still, there was suspense, and there was a fast-moving vehicle, as well as a race between the clock and

technology.
All right, I hyperbolize. The suspense boiled down to a question: Could this thing, before the cab reached the airport terminal, actually allow me to make a wireless call, cruise the Web and download my e-mail at 40 miles per hour, all while being in "roaming" mode away from its home network?

If it could not, I had decided beforehand, it was useless.

This isn't Hollywood, so I'll give away the ending. The call went through, I read the latest wire service headlines off the Web, and yes — just as the cabbie pulled to the curb — the Nokia successfully downloaded half a dozen waiting e-mail messages, allowing me to read them on the plane.

Pretty cool. Bot there are caveats. The phone is too big and heavy (it's about 6.75 inches by 2.5 inches and about an inch thick, the size of a bulky older cell phone). The data rate is way too slow. And the screen is too small and too hard

Still, the Nokia 9000i is a glimpse at the future of mobile wireless telephony and computing. And, despite its short-comings, the thing really did turn a 45minute ride into a productive session of

he Nokia 9000i has been in use in Europe for two years but only recently became available in the United States, offered by Sprint Spectrum. Price of the hardware here: \$899. The data service costs \$5 per month and 10 cents per minote, in addition to a regular Sprint Spectrum phone rate plan.

The Europeans are fighting hard to retain their edge in setting the standards retain their edge in setting the standards for the marriage of wireless and the Web. Last week, the world's three biggest mobile phone makers — Finland's Nokia Oy, Sweden's LM Ericason AB and Motorola Inc. of the United States — said they would jointly develop a standard for operating software used in Web-based cell phones. That puts them ahead of Microsoft Corp.'s Windows CE, now used in many palmtop computers, and may even lock Microsoft oot of that market completely.

Nokia's is a digital wireless phone with a "clamshell" design that, when opened, reveals a small keyboard and monochrome screen. Users can type in Web addresses or choose from a "hot list" to see a site, or send and receive e-

list" to see a site, or send and receive email. There's also a personal organizer,
including a note pad and calendar. When the phone cover is open, it functions as a speaker phone, allowing the
user to talk and type.

In real life, the Web browser is agonizingly slow, at 9,600 hits per second.
Nokia allows you to shut off the graphics and download only text from Web
sites, which helps immensely. A user
would have to be extremely patient, or
want the information very badly, to put
op with the wait to get the full-graphic op with the wait to get the full-graphic

on also will need patience, and more than a little handholding, to get the Nokia hooked up to communicate with your Internet service provider. And expect major hassles if you want the Nokia to jump past your corporate firewalls at work to retrieve e-mail.

That aside, the best features on the unit are its e-mail and fax options. The device pulls down all waiting messages from your e-mail account, then automatically logs you off to save air time. After some fussing with learning how the "outbox" works, I found compos-ing and sending e-mail to be fairly intuitive. When you send a fax, it comes ont at the other end with a nice, basic cover sheet.

In all, the Nokia 9000i using Sprint spectrum's octwork is a fine way to glimpse where wireless phones are heading. But a glimpse is all it is. It's a Ford Model A in the race to marry palm-

top computing to wireless phones.

The next generations of phones will be smaller, have longer battery life, operate at much higher data speeds and have much broader features. It's not outlandish to put it this way: Think of all you do on your personal computer and telephone today, and stuff it all into your

Whatever standard emerges, it could change the dynamics of the personal computing industry. Some analysts think low-cost palm-top devices with huilt-in wireless connections will even

overtake personal computers.

"The PC's status as the dominant device in the access portion of the digital marketplace will splutter to an end within six years," predicts Frank Gens of International Data Corp. "PCs will be invested by the property of the be dwarfed by demand for digital consumer appliances that have built-in connectivity and cost relatively little."

If that happens, reality will be one step closer to catching up with Hollywood.

Mike Mills is the telecommunications reporter for the Washington Post.

CompuServe Seeks to Mimic AOL in Key Area: Profit

By Beth Burkstrand

ingson Post Service

WASHINGTON — The venerable on-line service CompuServe unveiled a new format this week that is designed to appeal to the millions of harried professionals who have yet to venture on-line and to get the unprofitable service back in the black by the close of the year.

CompuServe executives say the new. somewhat slimmed-down service with Version 4.0 of its access software is more graphical main meno with more than 100 links to other pages.

Skeptical devotees of CompuServe had feared that their service's functional appearance would give way to the softer look of America Online after AOL bought CompuServe in February. The new version of CompuServe is not a clone of AOL, but rather a step toward a more graphics-intensive design.

It is a step that has created divided opinions among analysts and users who have seen the face lift, but a step that one CompuServe official said was long overdue. "We've been pretty hard to use for a long time," said Bob Kington, CompuServe's programming vice president. Founded in 1979, CompuServe

helped pioneer the on-line industry, offering electronic mail and an ever-growing collection of information such as oews, electronic discussion forums and financial data. It built a solid core of 'better, faster and easier," featuring a devoted subscribers, many of them computer specialists and other professionals, but in the 1990s it began to be eclipsed by more consumer-oriented services, notably America Online.

The oumber of CompuServe users was in a fairly steady decline through 1997, company officials said. They say they have now stopped the erosion, with membership hovering at around 2 million worldwide.

CompuServe officials say they are committed to strengthening the service, with an eye toward appealing to a particular kind of user.

"You hear a lot about surfing the Web, browsing the Web - that's really not what CompuServe is about," said Audrey Weil, CompuServe's chief operating officer and a former AOL executive. CompnServe will aim for "serious, time-constrained adults" who want to accomplish all their on-line needs in 10-minute sessions, she said.

In that vein, CompuServe is not going to try to attract current AOL users. "We're not expecting people to switch to CompuServe," Ms. Weil said. "AOL is always going to be bigger. CompuServe is a hit of a niche." CompuServe officials said the new

version had a simplified installation process and short load time that would ease the trepidation of the inexperienced Internet users they are hoping to at-

Keith Benjamin, managing director and Internet analyst at the investment firm of Robertson, Stephens & Co. in San Francisco, said he had not used the new service hot that, on paper, he liked

This looks a lot more friendly," he said after seeing a copy of the new CompuServe main menu. 'It might open up the popularity to a slightly

broader business base."

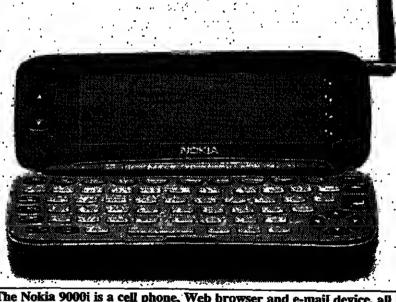
Still, he said that the new version's features might be less important than the service's marketing.

CompuServe plans to market the new version using radio, television and print advertisements, with the line, "Complete. Comprehensive. CompuServe: For those serious about Internet ooline." CompuServe has two membership plans: \$9.95 per month for five hours plus \$2.95 for each additional hour, or \$24.95 per month for unlimited

Ms. Weil said CompuServe was on track to be in the black by the end of the

Because much of CompuServe's overhead was eliminated when the company was acquired by AOL, Mr. Ben-jamin said, it "can be incredibly profitable.

"If they can get even the slightest AOL," be said.



The Nokia 9000i is a cell phone, Web browser and e-mail device, all in one package. It points to a future where the PC may no longer dominate.

Retired Mainframes Find "If they can get even the slightest amount of growth, it can be a big deal for New Life as Flashy Furniture

By John Markoff New York Times Service

AN FRANCISCO — In supercomputing, the time separating the world's fastest computer from the scrap-metal hesp is appallingly short.

But when it comes to supercom-puters, to become obsolescent isn't necessatily to become useless. While many of these machines are mothballed in dank basements, a few are proudly displayed in private homes as though they were objets d'art.

The obsolescence of a supercomputer

is predictable. The reason, of course, is Moore's Law. Three decades ago, the co-founder of Intel Corp., Gordon Moore, observed that every 18 mooths it is possible to place about twice the number of transistors on the same piece of silicon. So now personal computers are nearly as fast as yesterday's supercomputer --- which cost many thousands of dollars more.

The life span of a supercompoter, which may cost upwards of \$30 million is typically five years, and sometimes

But there is no pasture to go out to when a supercomputer is retired. The life of a machine is nasty, brutish and short. Enter the connoisseurs.

Nathan Myhrvold, Microsoft's chief scientist, keeps a growing collection now oumbering six supercomputers - three early Crays and three Connection Machines made by Thinking Machines Corp. The Cray 1, designed in 1976 by the legendary inventor Seymour Cray, was notable in part because it was a round refrigerator-shaped cabinet encircled by a padded bench. Today, the original Crays have less processing power than some \$1,000 per-

sonal computers, but as fashion statemeots, their time may be here again. Mr. Myhrvoid is planning a new home that will rival that of his boss, Bill Gates. It will have a living room hig

enough for a supercomputer.

The key aesthetic is that it is the most expensive sofa in the world," said Mr. Myhrvold, who bought his machines for their salvage costs or for a few thousand dollars.

Mr. Myhrvold is not the only computer designer who finds the furniture concept attractive. Brewster Kahle, a founder of Thinking Machines, has big plans for his Connection Machine, which has thousands of flashing lights and would look right at home on the flight deck of the starship Enterprise.

"It's awfully big," said Mr. Kahle." "I think I'm going to need a conference room to display it in, or maybe my next. In a warehouse in suburban Seattle, living room.

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Change in China

Bill Clinton's trip to China has given Americans an extended look at political life in that complex and changing country. Some of what they have witnessed was predictable, including the Chinese government's effort to clear outspoken dissidents from President Clinton's path. But a good deal was not, like the uncensored broadcast in China of his news conference with President Jiang Zemin. The signs of unexpected openness may be the most encouraging development of the Clinton visit.

Whether the change is a temporary relaxation or a harbinger of greater freedom is not clear. China for the most part remains a repressive dictatorship. But modest liberalizing changes have been under way for much of the last year. They seem to reflect the growing confidence and power of Mr. Jiang.

Officially, he has been China's top leader for the past nine years. But it was only after the death of Deng Xiaoping last year that he defined his own posinons, endorsing accelerated privatization of industry, banking reform and slightly freer political debate. He took another step last weekend by debating some of the most sensitive issues in Chinese politics with Mr. Clinton on live television, including the Tianan-men Square massacre of 1989 and

Beijing's policies toward Tibet. Mr. Jiang's words conveyed important nuances to Chinese listeners. His characterization of Tiananmen as a 'political disturbance" departed from

the official line that it was a "counter-revolutionary riot." Also, he offered a dialogue, with conditions, to the Dalai Lama, Tibet's spiritual leader. These words may be taken as a license to

broader public debate on both subjects. Mr. Clinton has also encountered less encouraging attitudes. The nationalistic tone of questions asked by students at Beijing University, China's traditional democrane hothouse, was disheartening. It suggested that heavy government pressure directed against students and faculty there since the Tiananmen repression had changed the intellectual climate.

Ordinary Chinese, however, are somewhat freer today to express political views in private, and freedom can become contagious. Mr. Jiang seems to understand that a society organized around money-making is harder to regiment than one organized around the nostrums of Chairman Mao. Despite censorship and other government restrictions, exposure to global commerce, television and the Internet are chipping away at the old restraints.

As China continues to modernize its economy, it will face new pressures from within and without to open up its political system as well. Mr. Clinton has repeatedly used his public appearances on this trip to point out the connection between economic and political freedom. Millions of Chinese have been listening attentively.

— THE NEW YORK TIMES.

A Serious Congress?

Before the House of Representatives broke for the July 4 recess, Speaker Newt Gingrich issued a welcome pledge to get Congress hack on track in the international arena. He did not promise to pick up every hall that Congress has dropped, and there are many. But his promises, if fulfilled, would represent a step in the right direction.

On a range of issues, Congress this term has put the United States in a position of abdicating its international responsibilities. Most egregious, and dangerous to America's reputation and effectiveness overseas, has been the failure to approve funds to pay long-overdue U.S. dues to the United Nations. Money for foreign aid and operations also is in danger of being cut this year. Despite financial crises in Asia, possibly now spreading to Russia and beyond, Congress has not agreed to replenish U.S. funding for the IMF, the global lender of last resort. And last fall President Bill Clinton had to pull his request for fast-track trade negofiating authority after he could not as-

semble a majority in support. On most of these issues, the Clinton administration has lobbied hard to overcome congressional resistance. Its failure does not stem so much from a as from coalitions and objections that sures now push Congress toward an are specific to each issue. Opposition to fast-track, for example, dwells mostly among Democrats concerned

about jobs migrating overseas. A group of House Republicans has delayed UN funding as a tactic in an unrelated dispute over abortion. IMF funding is even more complicated; congressmen on both left and right object to the secrecy with which the IMF operates and, in some cases, to the

economic medicine it prescribes. None of these objections is trivial, but taken together they create the appearance of a drift toward isolationism. withdrawal and hesitation in the face of global economic crisis.

The speaker unfortunately did not address the question of United Nations dues, and in his promise of a September vote on fast-track there may be something of a taunt to Democrats, who don't want to face this issue before the elections. The politics work differently for Republicans, Mr. Gingrich made his pledge to the House Agriculture Committee chairman, since farmers are especially concerned about the dwindling of export markets. Business groups, too, have complained that the Republican Party they have long supported is wavering in its tra-

ditional backing for free trade. That politics are involved, however, does not detract from the value of Mr. acceptance of its international responsihilities, that is all to the good.

-THE WASHINGTON POST.

Other Comment

Aid Can Really Help

Poverty is a very serious problem -1.3 billion people live in extreme poverty, making less than \$1 a day, and that's a very, very serious problem. And if you were to summarize the effort, the goal of the entire development community, it is to try to erad-

I think a lot of the reason for the rise in per capita income has been the end of the Cold War, where we no longer have these severe ideological debates. But economic assistance has been an important part of it because one has to understand that many of these poorer countries did not have the resources to invest in human capacity. They did not have the resources to provide health care for their own people.

So when you take, for example, South Korea: The United States alone invested \$16 hillion in Korea in the 1950s, and most of that money was spent on education and health care. That provided the productive base for Korea's economy and for its economic

You take that story and you repeat in many times over, and if you look at all of Latin America, which has been a tremendous success story in terms of development, I think you'll see that development assistance and the tech-

nical advice received from many of the countries that had already achieved economic growth played the crucial role.

 J. Brian Atwood, administrator of the U.S. Agency for International Development, at a special State Department briefing on Monday.

Muslims Belong in India

Over many centuries, India developed some important centers of Islamic thought that continue to enjoy considerable prestige throughout the Islamic world even today.

We are proud of the fact that India has the second largest Muslim population in the world and enjoys the same rights and status as conferred on all Indians by our constitution. India is 'secular' state and has guaranteed the cultural rights to our various communities. This has made India a truly

pluralistic, multicultural society. My government is committed to upholding the rule of law and the provisions of the constitution. We are an open, democratic and tolerant society. All minorities are safe in India, as India is their motherland, as much as it is of the majority community.

– Atal Bihari Vajpayee, prime minister of India, in an interview conducted for the Saudi Gazette (Los Angeles Times Syndicate).

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Look Out, America, History Doesn't Stand Still

WASHINGTON — Three vign-ettes illuminate the enduring hydraulics of global power af the end of

OPEC members are struggling to get the inflation-adjusted price of crude oil back up to 1973 levels, when producers turned the world apside down. Humhled by market forces that its temporary success set in motion, oil power is old power today, weakened also by its own excesses and vulnerabilities.

Meanwhile, Japan, which replaced OPEC as the Godzilla of the global economy in the 1980s, is trying to recover from recession and a domestic banking crisis that makes America's S&L bloodletting look like a shaver's nick. Today as much as \$1 billion a day flees Japan's capital markets in desperation, landing for the most part in

U.S. financial paper and driving the once mighty yen through the floor.

Politically as well an old order struggles to maintain an eroding balance. Russia and France, which have seen their global clont diminished in this decade, battle diplomatically to keep decisions about action on Kosovo and Iraq ont of NATO, where they have uncertain influence, and in the United Nations Security Council, where they By Jim Hoagland

are two of the five members who have permanent seats and veto rights. Russia and France make little secret of a determination to use international decision-making bodies where they can wield historically granted influence to slow the flow of power to others.

That ambition also underpins their strong insistence on using the Security Conneil's Permanent Five group as the chief forum for discussion and action to respond to nuclear weapons testing by India and Pakistan.

These mid-1998 moments in looking backward - OPEC's efforts to fix its price-fixing system, Japan's escape from its own money, and French-Russian multipolar diplomacy - are separate events with their own causes and effects. The nonlinear hedges of history apply: Revolution in Saudi Arabia could bring OPEC's clout back overnight: Japan still has a mighty if out-of-whack economy; France and Russia have amhitions other than obstructionism embedded in their foreign policies.

But they are all instructive rearguard actions triggered by a need for is an unalterable condition beyond the stasis that nations, like humans, find

necessary to establish and impossible to maintain indefinitely.

Statesmen, perhaps under the inflnence of their own eloquence and importance, often underestimate the extent to which global power operates as a hydraulic system. In politics as in eco-nomics, disruption of an existing balance creates an opposite, reactive force that pushes back toward equilibrium.

Usually the new effort will overshoot its target and bring a new imbalance, which in turn must be diffused and eventually corrected. History is not an ash heap as Marx suggested, or the domain of one indispensable nation, as others argue, but a constantly churning piston. There are direct and specific causes for the division and reunification of Germany; the creation and dismemberment of the Soviet and other empires in this century; the rise, fall and

rise of American global economic dominance since 1945. But just as Americans were wise to question the inevitability of U.S. decline that was widely and wrongly pre-dicted in the 1970s, they should be slow to accept suggestions that today's American ascendancy in global affairs

reach of history's hydranlic arge.

OPEC's power seemed unalterable to those who wielded it in the oil crisis days of 1973 and 1979, but the cartel's pricing system opened the way for other players to change the market. Mismanagement, corruption and venality by national leaderships robbed most OPEC member states of the vitality and maneuvering room needed to respond to a world they forced to change. The United States is not likely to per pro-jeteral 1-

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make those mistakes. But it is not immune to more subtle ones. Is it possible that this year's gigantic and accelerating capital flow from Japan into America's excessively exuberant mar-kets is a disguised export of the fi-nancial bubble that laid low Tokyo's markets? It is a question worth asking now, rather than after the fact.

In every era, men and women have displayed a boundless ability to allow success to turn any nation or enterprise complacent, inattentive and even lazy, while hardship makes some other group or nation hungry, determined and focused enough to appropriate the success of the moment.

This is the force of human nature, not grand political or economic theory, which drives the piston of history. The Washington Post.

A Year of Asian Crisis: Lessons for Losers and Winners

BANGKOK — One year after igniting Asia's financial crisis, Thailand has been learning the painful lessons of taking on the forces of global financial markets without prop-

er preparation. The Thai private deht crisis. rooted in a profligate and unprofessional finance and banking sector, was not unprecedented. A similar disaster had convulsed the country in the early 1980s when a string of finance companies and wobbly

banks had to be taken over. The major differences in 1997 were: an open capital account allowing free movement of foreign money; the unsuccessful attempt by the Bank of Thailand, the central bank, to defend the overvalued baht, instead of devaluing it as in 1981 and 1984; and collusion by senior central bank officials with a By Thitinan Pongsudhirak

group of unscrupulous commercial bankers and politicians. The result was that the central bank's mismanagement of one medium-sized commercial bank that was insolvent led to a systemic financial collapse,

sparking a regional panic. Thailand's protected and largely family-controlled banking and finance industry contained many structural weaknesses. These were quickly exposed. Controlling a large chunk of the country's wealth, Thai banks and finance companies had long engaged in unsound lending to relatives,

friends and associates. Reinforced by shoddy accounting and anditing standards, such practices were based on personal counections, rather than on business merits. as the economy expanded.

They were perpetnated by a pat-tern of social relationships that tended to create and keep wealth inside the elite at the expense of the majority of the Thai population of 60 million

who live outside Bangkok. Hence the ever widening income disparity between rich and poor, and between Bangkok and the countryside, in the previous decade of rapid economic growth.

There would not have been such glaring inequality in in-come distribution if the government had been more adept at handling the newfound wealth. Bnt tax codes and collection were defective. Tax evasion was rampant. Few paid attention to the problem because state revenues were increasing steadily

inadequate or ineffectively enforced. The police, public pros-ecutors and the judiciary did not

always act independently.

Graft and inertia in the bureaucracy siphoned off, or slowed, public spending on national development projects. Political leaders played a role in this vicious circle, taking money from public contracts to pay for re-election expenses and

advance their vested interests. It takes a crisis to change such an entrenched, deeply flawed system. Without the shock of economic adversity of the scale that has hit Thailand, the country's finances would not have been reformed to meet the demands of globalization.

Two lessons are to be drawn from the crisis. Developing countries elsewhere should

Part of the problem was that streamline and strengthen their laws and regulations were either financial systems voluntarily financial systems voluntarily before a crisis forces them to do it in difficult circumstances.

And the IMF and developed countries need to reconsider their policy of pushing for a free flow of capital in and out of developing nations. They need to balance the pace of liberalization with the readiness of local financial systems.

Unfettered capital flows may be beneficial to international bankers and fund managers. But, as the East Asian experience now shows, when financial systems implode, the adverse consequences can be felt around the world.

The writer is a lecturer at Chulalongkorn University in Bangkok. He contributed this comment to the International Herald Tribune.

The Case for an Asian Return to Fixed Exchange Rates

MELBOURNE — A year ago this Thursday, Thailand's defense of its currency failed. The baht fell sharply, triggering a downward spiral of other currencies in East Asia.

Japan, Indonesia, Thailand, South Korea and Malaysia are

Hong Kong may soon follow. The macroeconomic adjustment measures undertaken at the behest of the IMF have not produced the desired effect. Something more needs to be done to restore confidence. A dramatic shift in perspective is needed if Asia is to extricate

WASHINGTON — A cynical view claims that

trade with China will some-

how encourage human rights

and more responsible interna-

tional behavior. This reason-

ing is certainly enticing, sug-

gesting that the United States

can make money while doing

the right thing. Unfortunately,

improves human rights. Ap-

parently, this argument rests on

the theory that trade leads to capitalism, which cannot flour-

ish in a totalitarian society. But history shows that different

countries choose different

levels of capitalism, and that

capitalism alone does not per-

suade countries to give up all of

long combined a market eco-

nomy with apartheid. Eco-

nomic sanctions surely played a role in dismantling this sys-

tem, but far more important

were the political forces around Nelson Mandela and

the threat of greater insur-

gency from more radical fac-tions of the African National

Congress, Economic 'en-gagement' by American companies played little or no

part in the process.

The correlation between

economic growth and political

freedom, taken as a matter of

theology by many, has little

support in experience. The

last quarter-century has seen

enormous growth in East Asia, and this growth has fre-

quently occurred under polit-ical systems that can hardly be

described as full-fledged de-

At the same time, countries in Western Europe saw their

economies burdened, and

their growth rates lowered, by

mocracies.

For instance, South Africa

their oppressive practices.

Take the claim that trade

it is wishful thinking.

expectations, weak currencies

sons: lack of finance, punish-ingly high interest rates and an overwhelming debt burden. Suppose all these economies

By Robert E. Lighthizer

By Malcolm Dowling went back to fixed exchange rates tied to the dollar or a basket of currencies.

The IMF and industrial nait as monetary policies are tions would be outraged. IMF drawn. It would certainly be harder to invest in these Asian countries, since their central banks would control the access

> But there would be compensations that ontweigh the dis-advantages, particularly in the

By disentangling domestic flexible system would stimulate tween interest rates and exand stimulate growth.

The hurden of external debt would be lightened by a stronger exchange rate.

Perhaps most important, adopting fixed exchange rates would reduce the extreme volatility in currency values and financial markets that has been so damaging to business.

The level of these fixed exchange rates would have to be determined, and that would be challenging. It would require close cooperation among countries of the region, perhaps within the structure of, or sponsored by, the Asia-Pacific Economic Cooperation forum.

Some devaluation relative to pre-crisis levels of the affected East Asian currencies would be necessary, and it would be critical to avoid a situation in which individual countries were tempted to devalue anew.

It would be reasonable to expect a new set of exchange rates in which each country maintained its competitiveness with others in the region at the precrisis level. The longer-run implications

of a return to fixed rates would have to be studied carefully. In 1972, when the world abandoned the fixed exchange rate architecture established at Bretton Woods after World War

Trade and bring a new era of itself from a spiral of negative suspended convertibility and policy, and cutting the tie be-prosperity. To a large extent, these hopes were realized. In the change rates, the shift to a fixed next 25 years, the volume of currency regime would enable world trade expanded rapidly, Asian countries to lower in- and foreign investment helped terest rates, expand short-term many countries, both in Asia in the grip of recession. The tightened. But such policies assistance packages worth more credit to exporters, and begin to and other regions, to achieve Philippines, Singapore and have failed to restore stability. than \$100 billion might be with-

Flexible exchange rates have also brought greater fiscal discipline, as excess government spending tends to feed quickly through to the exchange rate.

But that same system, combined with globalization and the information technology revolution, has brought greater volatility and higher risks, as huge amounts of money are shifted to take advantage of perceived differences in risk and return.

This volatility, and the contagion effects which flowed from the Thai meltdown, suggest that freely floating ex-change rates and open capital accounts need to be rethought.

At the very least, the Asian crisis should prompt a fundamental re-examination of the way international trade and payments are conducted. If the European Union's single currency is launched, as scheduled, in January, it could help establish a system of fixed exchange rates, and coordinated monetary and fiscal policies,

for the rest of the world. The writer, a former assistant chief economist at the Asian Development Bank in Manila, is an associate professor of economics at the University of Melbourne. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Santiago Battle

II, there were high hopes that a

NEW YORK — The battle of Santiago has begun. Thirty-five years ago this morning [July 1] was fought the battle of Gettysburg, which raged for three days and resulted in the glorious victory celebrated on July 4. Despite the fact that New York is intensely hot, people are rushing from one bulletin to another in search of news. Whereas the United States had to wait three days before it received the news of Gettysburg, to-day there is a direct wire running from the American general on the field to the White House.

1923: A Ford Boom

DETROIT - Another indication that Mr. Henry Ford in-tends to seek the Presidency in the 1924 elections is found in the construction here of the largest broadcasting station in the world. There has been some

talk inside political circles that if the antomobile king intended to run he would put up an entirely new brand of campaign. The Democrats are becoming more and more worried, one prominent worker in the Wilson campaign declaring that the Ford boom would "wreck the party worse than slavery did."

1948: Berlin Split BERLIN — The Russians today

[July 1], on the third anniversary of the Western Allied entry into this city, formally withdrew from the four-power govern-ment of Berlin. This Soviet move, completing the Soviet split between East and West and tightening tension here, was immediately declared illegal by the Western Allies. Colonel Kalimia gave as the reason the introduction of West zone currency in Berlin, which he declared to be part of the economic system of the surrounding Soviet Zone

Herald Eribune

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and falling demand.

Producers of manufactured goods are being starved of cred-

The common thread that runs through the countries hit by the crisis is the failure of exports to pick up despite much more competitive exchange rates. The rea-

social welfare programs and

health and safety regulations

that their voters demanded.

Business rewards efficiency,

and dictatorships can in cer-

tain circumstances be far more

political change. When a com-

worthless once the country

efficient than democracies.

to foreign exchange. short run.

No, Trade Is Not a Magic Wand

were tightly intertwined at the beginning of both world wars. Countiess other examples could be given, but the point is the same: Trade alone cannot douse the flames of interna-

Businesses often have a strong incentive to oppose tional rivalry. pany enters a country, it natnrally creates relationships with those in power, such as the close ties that foreign busito seek a greater role in world nesses maintained with the Suharto family in Indonesia. Such relations often become cess in the early decades of this undergoes the revolution that accompanies a greater respect century fed a desire for con-

for political freedom. So it is foolish to think that more trade between the United States and China will resolve the political tensions between the two. Countries are not corporations; they do not always act with an eye

toward the bottom line. Even the United States, the most market-oriented great power in world history, has never had a foreign policy motivated solely by dollars and cents. Many factors have proved more important, including national pride, military threats, domestic politics

and concern for human rights. If profit does not reign supreme in American calculations, Americans can hardly expect it to do so in a country like China, which has shown that it is willing to suffer tough

economic sanctions to preserve its power.

History also teaches that strong trading ties are no guarantee of peaceful relations. The American colonies had powerful economic links to

Britain when they declared

their independence. The North

and the South traded extensively with each other before the American Civil War. The German and British economies

In fact, prosperity often contributes to conflict. The enormous growth of Germany in the late 1800s encouraged it affairs, thus contributing to the aggressiveness and nationalism that helped start World War L Japan's economic suc-

quest that led to Pearl Harbor. On the other hand, the leaders of the Soviet Union learned that economic difficulties can cripple an ambi-

tious foreign policy.

Does all of this mean that one should try to thwart China's efforts to be seen as a more prominent player in the world economy? Not necessarily. The United States could derive many economic benefits from a positive relation-ship with China, and increased trade ties might well contribute to such a relationship.

But trade is no magic wand to resolve all tensions. U.S. politicians cannot expect trade to promote human rights in China or ensure that China does not harm the U.S. national interest. These problems must be solved by statesmen, not entrepreneurs, and no amount of profit (or wishful thinking) will ever make it otherwise.

The writer, a trade lawyer, was a deputy trade representative in the Reagan administration. He contributed this to The New York Times.

Marie Committee Committee

The law State

Vinner,

Thanks to Footage From China, The President Is Stomping Starr

By Tom Shales

WASHINGTON — There is no question Bill Clinton is winning the image war during his historic visit to China. In virtually every case and at every stop in China, Mr. Climton has handled himself with grace and aplomb, with his wife, Hillary, and daughter, Chelses, always prominently nearby.

The image we have seen on television is

a vigorous American president and happy

As soon as the network newscasts have gotten the China trip out of the way — and sometimes they have seemed very anxious to do so - they have rushed into reports on the latest day's developments in the pro-tracted Kenneth Starr investigation into Mr. Clinton's alleged sexual indiscretions.

Mr. Starr's shenanigans look tawdry enough by themselves, wasteful and large-ly pointless, as they drag on and on. But when they are preceded by reports of the president towering around China, they look especially petty, sordid and insignificant. Mr. Starr comes across as an obsessed mertly misance who is persecuting the president marriles.

ident mercilessly.

Typically, a "new piece of evidence" reported eagerly by the network news corps will be that someone else has remembered a conversation with Monica Lewinsky in

out to be a habitual liar, what does it matter how many people come forth to report what she told them?

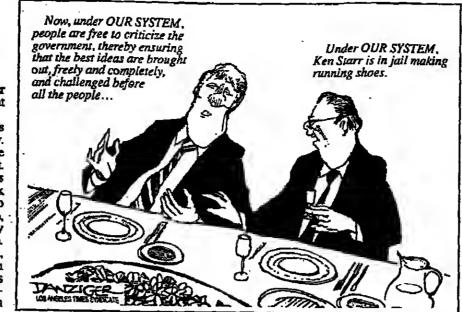
Unfortunately, the pattern in network news today is to treat any allegation as newsworthy. It is put on the air and then someone from the president's legal team is trotted out to deny it. It has become more than thresome. It has become maddening. I don't have a poll to back this up, but I think that instead of rushing to their TV sets to hear the latest nasty poop,

viewers are avoiding newscasts because they are sick to death of Mr. Starr and his crusade. Now has come the Clinton trip to China, a triumph so far, with the president in an environment when the contract the contract triumph so far. environment where the name Starr appears to mean virtually nothing. This is refresh-ing to watch partly for that reason. It is a chance to see the president being the president without having to dodge a wild barrage of unsavory allegations.

As this column is being written, the trip has gone off without a significant hitch and has made for very good television. We have had inside views of a country still legraly

had inside views of a country still largely off-limits, most of the time, to extensive Western TV coverage. We have seen the president looking fit as he debated human rights with the Chinese president, handily answering sometimes hostile questions from students at Beijing University, even participating in the Chinese version of a which she confided having an affair, of sorts, with the president. But if Ms. Lewinsky turns with the president and the president smile broadly participating in the Chinese version of a people, to report for the "Today" show.

On ABC, Sam Donaldson ended one report by saying the equivalent of this: The



when she prefaced her question by saying, "You seem to have a very nice figure." She wanted to know how he kept in shape.

The best coverage of the president's trip has been on C-Span, which has televised many of the events in their entirety, not just in snappy little snippets. CNN has also provided extensive views of the trip, if often following them with the inevitable repetitious Starr updates. Generally speaking, the three major U.S. networks have done a bad job. NBC sent Geraldo Rivera, of all

tomorrow something may go wrong. As if we are not going to be interested unless there is a foul-up. CBS sent a troop of correspondents and crews but tries so hard to dig up China stories of its own that it has shortchanged the president's visit, presum-ably the big event.

trip has gone well so far, but who knows,

Even those who do not admire Bill Clinton have to admit he has handled himself admirably. He has scored victories over the Chinese, the American press and, of course, the ever-salivating Kenneth Starr back home. Good for Bill. Good for us.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Castro's Excuse

The U.S. policy regarding Cuba is wrongheaded. As long as the embargo is in place, Fidel Castro has a wonderful excuse for poor econom-

No Communist system has ever brought a reasonable quantity of goods and services to its people. Cuba is no exception. Cancel the embargo. Expose Mr. Castro as the incompetent leader he is, and let the people of Cuba decide the

DARCY G. RECTOR

A Poet and a President

Regarding the report "In Bal-garia, Students Bone Up on Pax "Mmerica" (May 22):
Friends of William Meredith

were distressed by the description in Julia Wafkins; she is an extraorof him as a "minor poet." As dinary leader and largely to be william Matthews said of Mr. dinary leader and largely to be credited with the success of the American University in Bulgaria. There was hardly a dry eye in the "if poety were landscape, this house when she asked students to

book would be a national park." Mr. Meredith has won most of America's important awards for and sacrifice it took to achieve poetry. Last year he received the National Book Award for "Effort

at Speech." He is chancellor emeritus of the National Academy of Poetry and has been a member of the American Academy of Arts since 1967. He also has a long and distinguished teaching agreement.

guished teaching career.
In 1983 Mr. Meredith suffered a stroke that left him paralyzed for several years. His courage in overcoming that handicap has been remarkable, and after graduation at the American University in Bulgaria many students came up to him to thank him warmly for the effort taken to come to Bulgaria and for his remarks at the

As for the university president,

turn to their parents and greet them in recognition of the love their college degrees

RICHARD HARTEIS. Blagoevgrad, Bulgaria.

The writer is Fulbright poet in residence at the American University in Bulgaria.

French Workaholics Regarding "French Worksholics Beware, the Law Is Moving In" (June 12):

Government agents making unannounced inspections of private offices? Monitoring personal computers to determine whether they have been used for business? Encouraging disgruntled executives to inform on their companies? Employees driven to clandestine working trysts in hotel

These Gallic intrusions are creating a new oppressed minority: skilled professionals who are too ambitious and industrious for a qualifying for a penalty shot. 35-hour workweek. They are vic-

HOMER and GINNY BOUSHEY. San Francisco.

World Cup Penalties

Regarding "Whistles Heard Around the World" (June 25): The clear implication of the article was that the Norwegian team woo an undeserved victory against Brazil in the World Cup because of a mistaken call by the American referee Esfandiar Baharmast. The report's sources

ping his authority. Pictures of the incident show striker Tore Andre Flo, tearing

tims of persecution. The United above average job and deserves States should offer them asylum. poured upon him. PER F. L PHARO.

The governing body of world soccer shows a yellow flag at the start of each game with the words "Fair Play." Yet the decisions by referees in the Brazil-Norway and Cameroon-Chile matches did great injustice to the players, fans and above all to the sport itself and, above all, to the sport itself.
FIFA should do the courageous thing and admit that the referees' decisions may have been flawed. MASSOUD DERHALLY.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Strolling Through Time On St. Petersburg Nights

By Philip Taubman

burg over the years has been contested ground for the followers of three faiths.

Today, capitalists are ascendant, while Communists remain in eclipse. Monarchists will soon bury the remains of

MEANWHILE

Russia's last czar, Nicholas II, alongside his fellow Romanovs in the island fortress where Peter the Great founded his luminous capital by the sea in 1703.

The shifting fortunes of these groups have shaped the history of this pastel-hued city throughout the century and continue to do so in ways that capture the paradoxes and ambiguities of Russian life today. The city is once again known as St. Petersburg. but the region is still called Len-ingrad Oblast. The old stock ex-change on Vasilevsky Island, turned into a naval museum by the Communists, will soon reopen as a securities market.

Even the patter of the tourist guides reflects the changing cultural terrain. The Communist history of the city is still visible in plaques commemorating the

A statue of Czar Alexander III has replaced Lenin's armored perch.

900-day siege of Leningrad in World War II, but the guides now all but ignore the Bolshev-ik Revolution, which started here. In Palace Square, the cen-tral plaza bordered by the Hermitage Museum and the General Staff huilding, not a word is mentioned about the storming of the Winter Palace, which now houses the museum.

The city's buildings speak bluntly of receding and emerg-ing power. The Marble Palace, which Catherine the Great built in the late 18th century for Grigori Orlov, her lover, became the Lenin Museum in 1937. In 1992, the Communist

ST. PETERSBURG — icons were unceremoniously re-Like Jerusalem, St. Peters- moved and the building turned over to the Russian Museum. It now has an electrifying collection of avant-garde Russian art.

An exclamation point for the fluctuations of power can be found in the palace courtyard. When I last visited a decade ago, it was home to the armored car that Lenin climbed atop to address supporters when he arrived at the Finland Station in April 1917 after 10 years of exile in Europe. The same spot is

The historical grievances seem not to interest most citizens.

oow occupied by a large bronze statue of Czar Alexander III. Across the Neva in the Peter and Paul Portress preparations are advancing for the July 17 funeral ceremony for Nicholas II. Eight decades after Nicholas and his family were executed, his bones will be interred just yards from the tomh of Peter the Great. The occasion, intended as an

act of recentance by the Russian government, has instead stirred old animosities between church and state. Neither President Boris Yeltsin nor Patriarch Alexei II, the leader of the Russian Orthodox Church, plans to attend.

The historical grievances seem not to interest most citizens, whose lives revolve increasingly around capitalist pursuits and the stores' oew stock of expensive consumer goods.

Young people seem especially liberated by the new freedoms. Thousands of them celebrated the end of the school year and the height of the white nights by partying in Palace Square one recent evening.

Others strolled down the Neva embankment, watching a radiant midnight sunset fade slowly into the few hours of twilight that pass for night this time of year. The changing colors of the clouds seemed a perfect match for the constantly changing city below. The New York Times.

BOOKS

SYMPTOMS OF CULTURE

By Marjorie Gorber, Illustrated, 273

Reviewed by Sarah Boxer

IN the first few pages of "Symptoms Lof Culture," Marjoric Garber helpfully defines the words symptom and culture. Both definitions are Frendian. Symptoms, she writes, are repressed "ways of speaking," and culture is comething that can be read "as if it were

structured like a dream." Garber's dreamy idea of culture de-termines her style of analysis in this book of essays. If culture is dreamlike, then it is necessarily full of fragmentary and repetitive elements, double en-

tendres, malentendus and puns.

Analyzing culture, like analyzing a dream, is a game of free association. The crucial difference is that there is no awaking from culture. Once you slip into it, you can't get out, not even for a

moment of interpretation.

Garber, the William R. Kenan Jr. Professor of English at Harvard University and the director of the Center for Literary and Cultural Studies there, uses her own wacky brand of erudite freeassociation to analyze everything from Roman numerals and faked orgasms to football and Jell-O.

In an essay about greatness, she con-bers the Great Wall of China to the idea itsu greatness used to be a synonym for fat or well-born, to the fat, ill-born Ralph Kramden's sign-off to his wife Alice,
"Baby, you're the greatest!" to "I am
Oz, the Great and Terrible," to the idea in
"The Wizard of Oz" that greatness is what happens away from home, to the idea that in baseball greatness is the home run or homer, to the greamess of Homer, the author of the first of the Great Books (which was about going home), to the fact that Homer Zuckerman was the man who bought Wilbur the great pig in "Char-

By Alan Truscott

ONE of the country's teams seemed

headed for defeat at the In-

lotte's Web," to the idea that Wilbur's

Where does this breathless exercise in free association lead? "Greatness is an effect of decontextualization," Garber Jewish betrayal? writes. In other words, those who believe in inherent greatness have forgotten that behind every great pig is a spider who has done some serious spin control. There are no inherently great pigs or

great ideas or great people. Context is everything. To live in a culture is to be embedded in a web of cultural associations. And those who ignore this are doomed to misunderstand whatever bits of culture they use or praise. Take, for example, Garber's special bête noire, the "disembodied, free-floating quo-

tation" from Shakespeare.
During Clarence Thomas's Supreme Court confirmation hearings, she writes, Senator Alan Simpson tried to defend Thomas's name by reading a speech from Shakespeare's "Othello": "But he that filches from me my good name/ Robs me of that which not cariches

Robs me of that which not enriches him./ And makes me poor indeed."

The trouble was, Simpson missed the mony dripping from the words. They belonged to lago, the great manipulator, and the speech that Simpson quoted with such earnest feeling was intended. Garber writes, as "an example of the

most blatant hypocrisy."

Garber, the author of "Vested Interests: Cross-Dressing and Cultural Anxiety," "Shakespeare's Ghost Writers" and "Coming of Age in Shakespeare," is not defending Shakespeare. She is defending contex-

mality.

Whether she is looking at Shakespeare's speeches or Jewish identity or women's orgasms, she finds that they are often misread because their meaning is disguised in a complicated network of associations.

BRIDGE

Take, for example, a "key piece of greatness was not inherent but an effect prosecution evidence" in the trial of creased by Charlotte the spider who spun Julius and Ethel Rosenberg: The Jell-O the conspirators' password. Was it just evidence or was it a perfect symbol for

> According to the case against the Rosenbergs, Julius had cut the Jell-O box "into two odd-shaped pieces" and kept one half for himself. The other half was to have been brought to Rnth Greenglass, Julius's sister-in-law, by a courier. Harry Gold testified that he was that courier and took the piece to David Greenglass, saying "I come from Ju-lins," or was it "Benny sent me," as he first remembered it?

first remembered it?

Garber suggests that Gold, whose memory seemed faulty at best, was in fact free-associating. She thinks the Benny he had in mind was Jack Benny, whose radio show was sponsored by Jell-O.

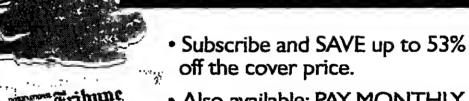
"Moreover, it is not, I think, insignificant," she writes, "that Jack Benny, born Benny Knbelsky, was a Jewish comedian." Why? "Gelatin as a product, and Jell-O as a brand, was much in dehate among Jewish leaders." much in debate among Jewish leaders," for some gelatin comes from very unkosher things and yet Jell-O was pop-

nlar in many Jewish homes.

The Jell-O box, Garber argues, was the ideal emblem of Jewish conspiracy, for it "both marked and crossed the borderline between Jewish and Christian, American and foreign, kosher and

In traveling through the dreamland of culture, Garber takes Freud as her guide. But her real mentor seems to be Charlotte the spider. Like Charlotte, who gets her vocabulary from soap-flake hoxes and magazine ads, Garber takes her examples from popular culture. Like Charlotte, she believes in the power of spin. And like the great spider, her weh of words is circular.

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Larsen of San Francisco; a vesngial spatie stopped, and in the replay the opening was raised to game. As it in the replay the opening was raised out, the spades were bid was two spades and North turned out, the spades were ville. Alabama The five winners will be easy to make nine tricks. The five winners will be easy to make time global. Some mought long and hard pointed in the quarterfinal by exempt squads whose captible queen won in dummy.

Tunica, Mississippi. After 75
deals of a scheduled 90, Steve deals of a scheduled 90, Steve played low, and when the 10

Spring, Maryland; Ed Manfield of Hyantsville, Maryland, and Kit Woolsey of
Kensington,
trailed by 47 imps. Their opponents were Brian Gunnell
of Jacksonville, Florida; Kyle
Larsen of San Francisco;

The diagramed deal conforced the ace, the declarer
was in control. He had eight
tricks, and could not be prevented from scoring a ninth in
one of the major suits. West
returned a diamond, and
Cheek overcalled two diamonds. Miller as South
boldly bid two no-trump, with
boldly bid two no-trump, with
the diagramed deal coniributed to the Robinson
trailed by 47 imps. Their optrailed by 47 imps. Their opponents were Brian Gunnell
of Jacksonville, Florida; Kyle
larsen of San Francisco; Robinson of Arlington, Vir- 2000. The diagramed deal con- forced the ace, the declarer Larsen of San Francisco; a vestigial spade stopper, and issue

South thought long and hard-about whether to take action

tains are Richard Schwartz of
Elmhurst, Queens; Jim Cayne
of Manhattan, and Bart
Bramley of Chicago. The
winners will be one of two
United States teams in the
next Bermuda Bowl World
Team Championship schedTeam Championship sched
Miller cashed the ace-jack of
Clubs and led a small diaGunnell team gained 10. They
would have lost six if three
no-trump had been defeated.

NORTH

& K Q

Team Championship sched-

4 A 199753 VK876 **Q42** ●10943 SOUTE(D) VA54 9 10 6 ♣KQ765 North and South were vulnerable. The bidding: South West North East

3 N.T.

9KJ9753

1 4

were grumpy losers and a FIFA official who was clearly overstep-

beyond all doobt that the Brazilian defender Junior Baiano was pulling the shirt of the Norwegian him down inside the penalty area when he was in a position to score. That is indisputably an offense As for the referee, he did a well

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USTREET WAS

Continued on Page 16

WALL STREET WATCH

Largest one-day story	Ising to Invest k price declines after a pro 500 million are included.	posed acquisit	ion. Only	
Acquirer	Acquisitinn	Acquirer's closing stock price*	Change from day earlier*	
Northern Telecom	Bay Networks	\$54.00		
Consecto	Fire 1 Copy Thomas		10.2%	
Roslyn Bancorp	TR Financial	23.563	-14.7	
Computer Associates	Campine Sciences		C920	
Alcatel Alsthom	DSC Communications	39.125	. – 9.9	
Source: Commscan	"Or	day that deal wa	s announced	

Investors Turn Skeptical Of High-Profile Mergers Company Stock Prices Are Often Punished

By Reed Abelson

NEW YORK - Investors may be growing weary of the merger frenzy. Chief executives continue to do a dizzying number of deals and to justify the acquisitions with talk about synergy and the chance to be really big or really global. But their shareholders are reacting with increasing skepticism.

When AT&T Corp. announced last week that it would buy Tele-Communications Inc., its chairman said that the company would be "better positioned for growth" and that the purchase would make AT&T an "undisputed leader" in some businesses. Investors, though, were not buying it.

Worried about the effect on AT&T's bottom line and concerned about the complexity of the deal, they sent the stock down 8 percent on the day the deal was announced. The stock has continued its slump and closed Wednesday at \$56.75, down 37.50 cents. It is down 13 percent since the announcement of the

AT&T is not the only company to receive a thambs down after aunoma-cing a merger of acquisition. Through June 19, stocks of 59 percent of the companies that an autocod they would buy other public companies fell the day of the announcement, compared with 49 percent in the first half of 1997, according to Commscan LLC, a New York information services company

were met with a decline in share price of more than 5 percent, compared with just. I I percent of the deals a year earlier.

While the largest deals tend to receive: a negative reaction, the increase is conaistent during this stage of a merger cycle, according to Mark Sirower, a business professor at New York University whose recent book, "The Synergy Trap," analyzes why deals fail.

Investors often punish companies that they fear are overpaying or doing deals simply because their competitors

are, Mr. Sirower said. "When the stock price goes down, the market is saying you're transferring value from your own

shareholders to somebody else's share-

bolders," he said.

Good news for them, bad news for Of course, other factors can cause the acquiring company'a shares to fall, including a deal so complex that it is difficult to evaluate. In some cases, a company may have made so many acquisitions that investors fret it will have

getting a quick payoff. Mr. Sirower says investors tend to get it right. After studying the stock per-formance of acquiring companies for one year after a deal was announced, he found that companies whose stocks were down a week after the news of a

trouble digesting another company and

deal tended to underperform. The high valuations in the overall stock market may be making investors anxious, said Henry Taibo, an associate at Commecan. After all, how much more can a company be worth after an

already high market price?

Consider Roslyn Bancorp Inc.'s proposed \$1 billion acquisition of TR Fimuseral Corp., which owns Roosevelt Savings Bank on Long Island, New York When Roslyn made its offer at the end of May, TR Financial was already selling close to its 52-week high, and Rostyn was offering a 58 percent premiann. The deal valued TR Financial at 29 times estimated 1998 camings, while The negativity runs deeper as well: 16 average multiple of 17. Roslyn's stock percent of the deals announced this year dropped about 15 percent on the news.

investors tend to be cranky whenever an acquiring company offers a premium of more than 15 percent, according to Commscan's analysis of deals announced so far this year. The stocks of companies paying that much or more fell about 70 percent of the time.

And all-stock deals met the most resistance. Analyzing transactions valued at more than \$1 billion, Commscan found that only a third of the all-stock deals led to an immediate increase in the acquiring company's stock.

Currency Speculators Target South Africa

Despite Aid, and Solid Economy, Rand Falls

By Donald G. McNeil Jr. New York Times Service

JOHANNESBURG — Speculators have given the South African rand a nasty shock in the last few days, forcing the nation's central bank to enlist help from the United States and Britain and to raise interest rates sharply to stem the currency's fall.

Still, the rand tumbled to new lows against the dollar and the pound Wednesday. Overnight reports that the governor of South Africa's central bank, Chris Stals, would be fired were flatly denied, but not before the rumor undermined the currency, sending it to 6.00 rand against the dollar in New York

from 5.87 on Tuesday. from 5.87 on Tuesday.

Until the sell-off began, the rand had been drifting slowly down against the dollar, slipping about 12 percent since the beginning of the year. Then, starting last week, it plunged 13 percent after speculators who had been exploiting the turnoil in Asia turned their sights on South Africa.

South Africa. At the government's request, the U.S. Federal Reserve Board and the Bank of England both intervened on Friday and

The lift for the rand was short-lived, however, after it became clear that the two central banks were using the South African Reserve Bank's dollars to buy the South African currency.

Facing its worst currency crisis in years, the South African Reserve Bank increased its overnight lending rate to commercial banks on Tuesday to more than 20 percent, from 18.311 percent, prompting most banks to raise their prime rates by 2 percentage points, to

While the tighter credit risked slowing South Africa's economic growth, which has already been hurt by falling commodity prices, it bolstered the rand by making rand-denominated assets more attractive to international in-

Until last week, the rand had actually been maintaining its strength better than

the currencies of Asia, Brazil, Australia and New Zealand, with which it is often compared because of similarities in the countries' economies.

"But some speculator must have noticed that on his computer and decided that it was our turn," said Sample Terreblanche, a professor of political economy at Stellenbosch University, "So the Asian bug hit us - a little be-

Economists universally expressed surprise at the fierceness of the attack because the South African economy's fundamentals are relatively strong. whether compared with Asian economies or with the situation here before the 1994 elections.

South African banks are very conservative, carry few bad loans and are not in thrall to ruling families like the Suhartos in Indonesia.

Foreign debt is low. State assets are being privatized, albeit slowly. Until the run began, inflation was down significantly, to 5 percent, the reserve bank had reserves equal to three months' imports, and the prime rate was high but stable at about 18 percent.

Foreign bankers generally appland

the government's economic policies, which focus on bearing inflation and

lowering the budget deficit.

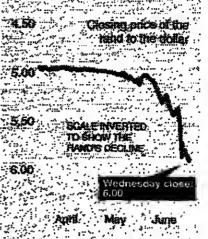
By contrast, before 1994, the African National Congress was strongly socialist and talked about nationalizing the mines and cutting unemployment with massive public spending, the budget deficit was at 5 percent of gross do-mesoc product and foreign exchange was heavily restricted.

It is not clear what started this run on the rand. Mr. Stals, the governor of the reserve bank, has blamed selling by an unidentified American hedge fund.

But in any case, the background was in place. To deter speculators, the reserve bank had steadily raised the overnight lending rate to nearly 24 per-cent. When it felt confident enough to lower it to 17 percent to let commercial lending rates relax a little, speculators

Under Attack

The South African rand had secaped most of the turnoil rolling world currency markets until specialisis began driving the price down in recent days.



In a sense, the monetary crisis reflects the growing maturity of the South African economy. The last abrupt currency plunge, in 1996, was brought on by a false rumor that President Nelson Mandela had had a heart attack. Administration officials then cried racism, because the implication was that a black government could not keep the country together without Mr. Mandela at the

Now the markets seem content with the prospect that Thabo Mbeki will become president next year and confident that the African National Congress will continue to pursue conservative financial policies.

Indeed, economists say, the rand's latest slide results less from political upheaval than from South Africa's exposure to the fallout from Asia and its vulnerability, as a developing economy. to currency speculators.

Nonetheless, investors have become increasingly nervous about the possibility that labor unions will put pressure on the government to temper its economic austerity measures as the 1999 elections approach.

Because of apartheid-era sanctions.

See RAND, Page 17

U.S. Output Of Factories **Shows Drop**

NEW YORK — Manufacturing activity in the United States slowed in June for the first time in nearly two years, hurt by Asia's economic crisis.

At the same time, a key measure of future economic activity held steady in May but suggested a slowdown later in the year, according to separate reports released Wednesday.

The National Association of Purchasing Management said its monthly index of husiness activity, compiled from in-terviews with corporate purchasing executives nationwide, fell to 49.6 in June

from 51.4 in May.

A reading below 50 is a sign of a contraction in the industrial economy. The decline surprised economists,

who expected manufacturing activity to continue growing but at a slower pace. It was the first drop in manufacturing acovity after 22 straight months of

Despite the slide in manufacturing, June marked the 86th consecutive month of overall economic growth, the purchasing managers' organization

Asia's economic turnoil burt U.S. exports in June.

The manufacturing sector also was hurt by two strikes against General Mo-tors, which have idled the No. 1 auto-maker's North American production, said Scott Brown, chief economist at Raymond James & Associates in St. Petersburg, Florida, The Conference Board, a private

business research group, reported that its Index of Leading Economic Indicators for May stood at 105.2, unchanged from a revised figure for

Combined with the performance of two other indicators, the leading index shows a healthy economy, the Conference Board said.

While the leading index's performance was in line with economists'

See ECONOMY, Page 14

Trans-Atlantic Clash Over Consumer Privacy on Net

By John Markoff
New York Times Service

Differences between European nations and the United States over how to protect consumer privacy have led to a two leading makers of browsing soft-ware for navigating the World Wide Web - Microsoft Corp. and Netscape

Communications Corp.

The differences between Europe govcroments, which favor enacting laws to protect consumer privacy on-line, and the Clinton administration, which prefers to let electronic commerce industries regulate themselves, could delay the much-anocipated evolution of the Internet into a huge international

supermarket of goods and services. At issue are two proposed standards: the Privacy Preferences Project, or P3P,

and the Open Profiling Standard, or OPS. Both are technologies intended to make it possible for individual computer users to determine how much personal information they are willing to

make available to various Web sites. Both proposals are being consider for possible international implementation by an Internet standards group, the World Wide Web Consortium.

But last month, a committee of the European Union issued a tough report attacking both proposed standards as inadequate and possibly in violation of European laws designed to protect consumer privacy.

The report states that P3P and OPS, which will be built into browsers made by both Microsoft and Netscape, clash with the European Privacy Directive, which restricts the ability of husinesses to collect private information about individuals without their permission.

When it goes into effect in October, the directive is expected to toughen national laws of 15 European governments whose privacy standards are already more stringent than those of the United States. The European laws require that cor-

porations get people's permission be-fore collecting demographic or marketing information about them. "This is significant, because the Europeans are saying this mechanism might not work, said Joel Reidenberg, a law professor at Fordham University in New York City. The European Union's committee, the Working Party on the Protection of Individuals' Personal Data. issued its opinion on June 16. in addition to criticizing the technology itself, the report stated that "a technical on will not form for privacy prote in itself be sufficient to protect privacy on the Web."

The committee's report said that such a technology for privacy protection would need to be applied within a framework of laws if it were to protect privacy.

The committee also said there was a risk that the P3P standard would mislead European companies into believing that they had met their legal obligations by offering the software.

There is added risk that European computer users would come into contact via the Internet with Web sites that do not meet European data protection standards, the report says. It warns that the current P3P does not require, or even allow for, giving information about sanctions or remedies to users, a violation of European laws.

Finally, the report says Internet users are unlikely to after default settings that are preconfigured with each browser. The committee warns the software will be of minimal privacy protection value if the browsers are not set by default to the highest privacy protection possible.

"This is a shot across the bow," said Evan Hendricks, publisher of Privacy Times, a privacy policy newsletter, which reported the European Union criticism of the P3P standard earlier this week. "If the Europeans enforce their own standards, then the U.S. is now headed on a collision course over the

Until recently, the Clinton administration has pressured U.S. industries to arrive at strong self-regulatory standards that would avoid the necessity of enacting new laws to protect personal information in the information age.

However, in recent weeks that position has appeared to weaken as crincs
— including the U.S. Commerce Department - continued to point out areas in which self-regulation is failing as corporations rush to take advantage of the Internet as a new medium for marketing and commerce.
"This could be a flash point," said

Marc Rotenberg, director of the Electronic Privacy Information Center, a privacy organization in Washington D.C. Europeans have tended to encourage systems that permit anonymity, he said, while U.S. companies have been building systems that encourage users to

provide personal information.
Officials of the World Wide Weh
Consortium said they had been in discussions with members of the European Commission and that they believed the technology could be modified to meet the European privacy concerns.

DIGITAL VOICE

RECORDER

Credit Suisse Unit Bolsters Tech Team

Compiled to the Staff From Despatcher NEW YORK - Credit Suisse First Boston said Wednesday that it had hired three of Deutsche Bank Securities' topperforming U.S. investment bankers as its senior advisers to computer-related

companies.

The bankers, Frank Quattrone, corge Bourros and Bill Brady, will be sponsible for underwriting, mergers and research involving technology companies. Credit Suisse First Boston

The three bankers' clients include the Internet bookseller Amazon.com Inc., the software company limit line, and Northern Telecom Ltd. of Canada. The defections are the latest job to the securities unit of Deutsche Bank AG.

the biggest German bank, which lost senior investment bankers this year as it reorganized after reporting disappointing profits. Credit Suisse First Boston, a unit of the Credit Suisse Group of Switzerland, has been trying for years to catch up with rivals in advising fastgrowing companies in the companier in-

Charles Stonehill, deputy head of corporate and investment banking at Credit Suisse First Boston, said Mr. Quatrone's group would give the firm access to "some of the most exciting and successful technology companies in the world."

Before joining Deutsche Bank's se-curities business and starting its West Coast-based technology group in 1996,

Mr. Quattrone had worked at Morgan Stanley & Co. for more than 17 years, and is credited with helping build up

that firm's technology group.

The trio will remain in Menlo Park, California, and will develop an international practice with technology bankers and research analysts around the globe, Credit Snisse First Boston

Deutsche Bank had lured Mr. Quattrone and his team from Morgan Stanley with pay packages worth millions of dollars. But a number of top executives have now left the German company including Carter McClelland, who had been chief of Deutsche Bank North America and who had recruited Mr. (Bloomberg, Reuters)

EU Objects To U.S. Tax **Incentives**

BRUSSELS - The Euro pean Commission has filed a World Trade Organization complaint over what it called an unfair system of tax breaks that provides \$2 billion a year in subsidies to U.S. exports.

ecutive agency of the European Union The tax breaks are "a clear subsidy from the U.S. taxpayer to industry," Sir Leon

missioner, said. Foreign sales corporations are generally subsidiaries of American companies located in tax havens such as the Virgin Islands and Barbados. U.S. companies exporting through these units now qual-

This has been in effect for

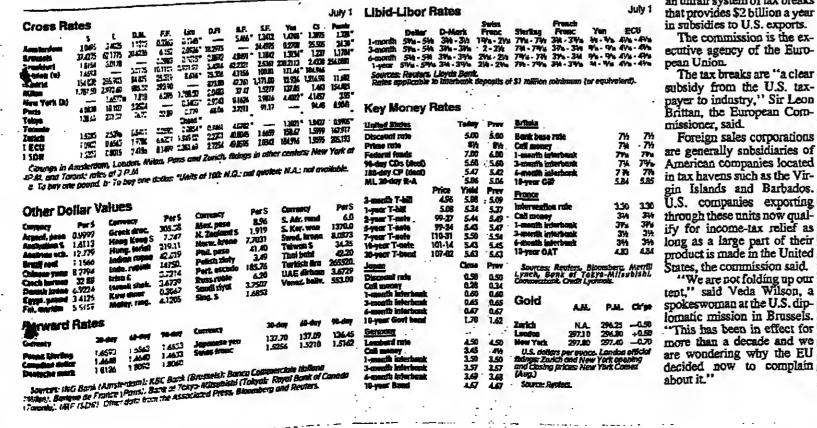
ify for income-tax relief as long as a large part of their product is made in the United States, the commission said. "We are not folding up our tent," said Veda Wilson, a spokeswoman at the U.S. dip-

The commission is the ex-Brittan, the European Com-FROM SPEECH TO TEXT ... AUTOMATICALLY!

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CURRENCY & INTEREST RATES



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Very briefly:

· Chrysler Corp.'s U.S. sales of cars and trucks rose 10 nercent in June, helped by price discounts and strong truck demand. Chrysler's gain was followed by early word from General Motors Corp. that its sales rose 24 percent in June, as GM dealers had enough inventory to meet demand even though two strikes have all but shut off its North American production.

• Pinault-Printemps-Redoute SA, a French departmentstore chain, raised its stake in the American catalog retailer Brylane Inc. to 45.68 percent from 44.55 percent.

· US Airways, bas reached a pact with union negotiators on salaries for pilots of Boeing B767 and Airbus A330 aircraft. The accord should enable the carrier to place an order in the next few days for 30 wide-bodied aircraft.

· Mercedes-Benz, the luxury carmaking unit of Daimler-Benz AG plans to spend \$40 million expanding its M-Class sports utility vehicle plant in Tuscaloosa, Alabama.

 AT&T Corp., the largest American long-distance phone company, expects to spend about \$5.7 billion to be able offer local phone services over Tele-Communications Inc. 's cable-television network. AT&T agreed to buy TCI for \$44.29 billion in stock and debt.

 Brazil's unemployment rate rose in May, to a 14-year high, as high interest rates led to a slowdown in demand for workers in the construction industry. The jobless rate rose to 8.2 percent from 7.9 percent in April.

· Checkpoint Systems Inc., a maker of anti-theft devices, will lay off 230 employees, or 7 percent of its work force, in response to declining earnings.

· Investors increased their purchases of stock mutual funds in the latest week, helping fuel a rise in the domestic equity market, a report said. About \$6.86 billion was added to U.S. stock funds in the week ended Monday, up from \$4.01 billion in the prior week, Trim Tabs Financial Services Inc. said.

three electricity-distribution systems in El Salvador for about

Optimism on Japan's Actions Gives Lift to Wall Street Optimism on Japan's Actions Gives Lift to Wall Street New York—Stocks rose Wednesday as bope emerged on Wall Street that Japan winds age in femal to the fema

get its fiscal house in order, belping ease the Asian crisis and setting the stage for strong corporate profits in the second half of 1998.

and belp us.**
Wall Street Japan, the wo

The Dow Jones industrial average closed 96.65 points higher, at 9,048.67. The Nasdaq composite index, a barometer of technology issues, rose 19.72 points, to 1,914.46.

Bond prices were little changed, with yields

near all-time lows, after a report on manufacturing suggested the economy was slowing, supporting the Federal Reserve decision to leave interest rates unchanged.
The benchmark 30-year Treasury bond was

unchanged at 107 4/32. The yield was at 5.63

news belps." said Bill O'Hearn, a money manager at McKinley Capital Management in Anchorage, Alaska. "All this will help them

Wall Street has long been counting on Japan, the world's second-largest economy,

U.S. STOCKS

to be the economic engine that pulls other ailing Asian countries out of recession.

Merrill Lynch, which hired 2,000 former employees of the defunct brokerage Yamaichi Securities this year, jumped 3 13/16 to 96 1/ 16. Travelers, which agreed last month to buy a 25 percent in Nikko Securities, gained 27/16

percent.

The Dow's gains were led by Du Pont, which rose 2 5/16 to 77, and by a rebound in Walt Disney, which rose 1 11/16 to 106 3/4.

ECONOMY: Manufacturing Declines

thoughts.'

imports grew.

serve Board policymakers con- because it is usually the first in-

cluded a two-day meeting Wednes- dicator of how the economy fared in leaving interest rates the previous month.

Internet stocks rose on takeover speculation. DoubleClick jumped 14 5/16 to 64, Yahoo gained 12% to 169% and EarthLink Network rose 10% to 87.

On the downside, Merck & slipped 9/16 to \$155.8 million, or 52 cents a share. Revenues 33 3/16 after a Wall Street firm made bearish for the fourth quarter fell to \$2.31 billion from 133 3/16 after a Wall Street firm made bearish comments despite regulatory approval of

Merck's drug to treat migraine headaches.

Advanced Fibre Communications said secondquarter profit would fall short of expectations and
its stock dropped 20 15/16 to 19%.

Nike rose 2 5/16 to 34 after reporting a narrower-than-expected loss for the latest quarter. It blamed weakness in Asia for the loss. Nike reported a fourth-quarter loss of \$67.7 million Tuesday as the Asian economic woes continued to exact their toll on the world's biggest shoe manufacturer.

In the same period last year, Nike earned

The company continues to be hard hit by the economic slowdown in Asia. Quarterly revenues from Asia declined 37 percent to \$243.6 million_

Netscape Communications soared 81/s to 35 11/16 after an executive said the Internet software maker was talking to big media companies about ways to make its new Web site more competitive. Netscape's vice president, Mike Homer, said it was in talks with major media companies to position its new Web site to better compete with popular In-The loss, which was equivalent to 23 cents Web site to better compete with popular Inper diluted share, included a \$129.9 million ternet services. (Reuters, AP, Bloomberg)

Star Banc Corp. to Purchase Firstar | Fears on Russia Debt

MILWAUKEE, Wisconsin -Star Banc Corp. said Wednesday it

was buying Firstar Corp. for \$7.2 billion in stock, in a deal that will create a banking company with \$38 billion in assets and ontlets in 10 states, mostly in the Midwest.

The Cincinnati-based Star Banc is taking Firster's name as well as its headquarters in Milwankee as part of the deal. The consumer banking and specialized lending operations would be based in Cincinnati, the company said.

The combined company would have 720 branch locations in eight Midwest states and Arizona, as well as trust operations in Florida.

Chock Full o' Nuts

NEW YORK — Chock Full o' Nuts Corp. said Wednesday

that it planned to purchase the

hot-beverage business of closely held Park Foods for un-

disclosed terms to boost its cof-

The coffee roaster and mar-

keter said the business to be

acquired from Chicago-based

Park Foods had 1997 revenue

fee and tea sales.

Moves to Expand

of common stock of the combined company for each share of Firstar common stock, while Star Banc shareholders will retain one share of common stock in the combined company for each Star Banc share.

Based on Star Banc's closing stock price on Tuesday, this represents a price of \$48.55 for each Firstar share, or a premium of 27 percent

Star Banc closed Wednesday at \$63.625, down 25 cents, while Firstar surged \$8.5625 to \$46.75. Roger Fitzsimonds, chairman and chief executive of Firstar, is to

become chairman of the new company, and Jerry Grundhofer, chairman, president and chief executive The agreement calls for Firstar of Star Banc, is to become president shareholders to receive 0.76 shares and chief executive.

Continued from Page 13

projections, it shows "a full that

suggests a slowdown later in 1998,"

The prospect of a slowdown is

'not too surprising given the strong

pace of growth we've had in the past

couple of years, particularly in the

Separately, the Commerce De-

partment reported that construction

spending in the United States fell 1.5

percent in May, the first drop in six

months and the largest in more than

The reports came as Federal Re-

first quarter," Mr. Brown said.

the board said.

lap geographically, and expect no branch closings because of the combination.

But the announcement said that some job reductions were expected, primarily in administrative posi-

"The deal makes sense." said James Schmidt, a money manager at Hancock Advisors Inc. 'You have a higher performing bank acquiring an underperforming bank."

After the deal is completed, the combined banks would see a 15 percent growth in earnings per share and a 20 percent growth in return on equity, Mr. Fitzsimonds said.

Banks have been buying each other to increase profits and expand into new markets. (AP. Bloomberg)

unchanged. They gave further support to the view that the central bank

would not raise interest rates to cool

economic growth, which has been

The purchasing managers' group said members offered mixed assess-

ments of their business, but "Asian

concerns still dominate their

Inflation remained tame as prices

paid by manufacturers declined last

month, the report said. While ex-

ports of U.S. goods slipped in June,

is widely followed by economists

The purchasing managers' report

for a "bridge bank" to help deal troubles could impede Ger- member of Japan's ruling Liberal Democratic Party's tax panel said many's recovery from a sevenyear slump.

(Bloomberg, Bridge News) The pound was at \$1.6605.

Weigh on the Mark

down from \$1.6677.

"Because of the high exposure

Signs that the Japanese gov-

The dollar was also burt by

ernment was moving to shore np

its financial system gave the yen a

fears of another round of central

bank intervention after the Jap-

anese government's expected an-

nouncement Thursday of its plans

The yen rose also after a senior

Prime Minister Ryutaro Hashi-

when he visits the United States

"A tax cut, if it's permanent,

But Hugh Walsh, a foreign ex-

change dealer at Commerzbank in

New York said, "I think that the

expectations are very, very high

with banks' bad loans.

\$2.37 billion.

NEW YORK - The dollar rose to a two-and-a-half-month to Russia, the mark has to suffer high against the Deutsche mark on Wednesday on speculation that Russia's debt problems and strategist at MMS International in tumbling stock market may steer London. investors away from Germany, the country's largest lender and

trading partner.

Traders sold marks on fears that Russian legislators might not

FOREIGN EXCHANGE

pass laws needed to qualify for up to \$15 billion in aid from the International Monetary Fund. A worsening of Russia's economic

Germany has extremely heavy moto would outline a tax-cut plan exposure to Russia in terms of trade, bank lending and investor later this month. The official sentiment, said Richard Segal, diasked not to be named. rector of emerging markets research at Santander Investment and a restructuring of the bank Securities Inc. 'If Russia were to devalue the ruble a lot of people and keep the dollar below 140.' devalue the ruble a lot of people would get out of marks," he said. said Michael Kraner, a currency

The dollar was quoted at 4 P.M. salesman at Asahi Bank. at 1.8180 Deutsche marks, up from 1.8084 DM on Wednesday. It was at 137.85 yen, down from 138.93 yen. The dollar was also at 1.5277 Swiss francs, up from 1.5203 francs, and at 6.0950 French francs, np from 6.0625

for a 'perfect' bridge bank solution and permanent tax cuts in Japan, leaving the market open

of \$70 million from the sale of coffec, cappuccino, cocoa and leaf tea. New York-based Chock Full o' Nuts had 1997 · Houston Industries Inc.'s subsidiary bought interests in revenue of \$366.3 million. U. S. STOCK MARKET DIARY The Trib Index Prices as of 4:00 P.M. New York time. Jan. 1. 1992 a 100

World Index Regional Indexes Asia/Pacific Europé	198.88 67.50	+ 2.52 + 2.65	+ 1.28	+ 15.55
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Europe	+	+ 2.65	+ 3.12	_ 9.02
	CYCY (3C)			- 0.32
	237.29	+ 2.68	+ 1.14	+ 22.92
N. America	258.16	+ 2.05	98.0 +	+ 19.52
S. Amenca	129.20	+ 3.60	+ 2.87	-15.37
Industrial Indexes				
Capital goods	256.42	+ 2.33	+ 0.92	+ 24.13
Consumer goods	236.90	+ 1.85	+ 0.79	+ 12.95
Energy	212.53	+ 3.24	+ 1.55	+ 9.01
Finance	144.61	+ 3.10	+2.19	+ 17.61
Miscellaneous	156.69	+ 0.86	+ 0.55	+ 4.54
Flaw Materials	208.44	+ 3.36	+ 1.64	+ 24.64
Service	203.88	+ 1.81	+ 0.90	+ 16.96
Utilities	170.60	+ 3.42	+ 2.05	+ 2.24

AMEX

Wednesday's 4 P.M. Close
The 200 most traded stocks of the day,
up to the closing on Wall Street.

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Rt M .065 7-17 _ 20% 1-8 1-25 REVERSE STOCK SPLIT

NYSE

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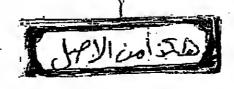
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Paris to Sell 87% Stake Of GAN to Groupama

Buyer Pledges Not to Cut Jobs for 5 Years

PARIS - The government said francs. Wednesday it would sell 87 percent of Gioupe des Assurances Na- Strauss-Kahn said that although tionales SA to Groupama Assurances, creating France's fourth- low Swiss Life's, Groupama had largest insurer and recouping most requested lower guarantees from the of the bailout money French tax-payers poured into GAN.

The victory of the French mutual insurer, which bid 17.25 billion francs (\$2,9 hillion) over rival Swiss Life AG, was expected after it years, securing the backing of 7 billion francs. GAN's labor unions. Switzerland's fourth-largest insurer offered 17.43 hillion francs for GAN.

 $^*Q_{M_{\rm P}}$

The government in April chose another French customer-owned. company, Credit Mutuel, to buy bank CIC SA after it too pledged not to cut jobs, giving it an edge over rival Dutch hidder ABN-Amro Holding NV. The government's preference for French mutual companies, which have less pressure than companies with shareholders to cut costs, stems from its attempt to reduce the nation's 11.9 162 francs. Swiss Life shares closed percent jobless rate, the second- Wednesday at 1,290 Swiss francs, highest among Group of Seven na- np 6. tions, analysts said.

After the acquisition, Groupama will have 8 million clients and revenue totaling 78.5 hillion francs.

Buying GAN will give a largely rural company access to GAN's customers in France's big cities and GAN's international network," said Patrick Leguil, head of research at Transbourse, a Paris-based broker-

European competition authorities had demanded that GAN be sold hy July to compensate other insurers for the competitive advantage handed to GAN for a government

Smaller Loss Tied

Agence France-Presse

PARIS — The government group charged with seiling off Credit Lyonnais SA's doubtful assets cut its loss sharply last year to 5.03 billion th francs (\$829.7 million) from 23.6 shift the burden of tax payments to for small husinesses, implementing

But Francois Lemasson, president of the Consortium de Realisation, the 186 billion francs worth of loss the regions.

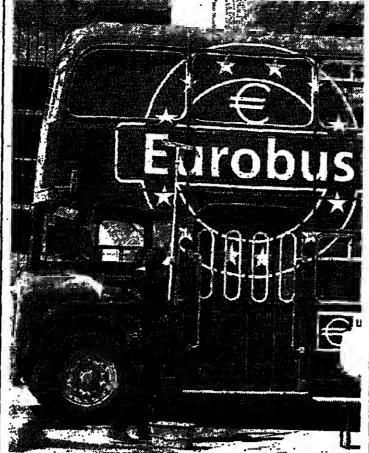
bailout worth 20 billion French

Finance Minister Dominique Groupama's offer was slightly bestate, and this had given "a decisive advantage to the French group," he

Groupama had asked the government to pledge to pay back up to 2.9 billion francs, if unreported losses pledged not to cut jobs for five are found; Swiss Life had asked for

> After the purchase, the 50-yearold insurer will rank behind Axa SA, state-controlled life-insurer Caisse Nationale de Prevoyance, and Assurances Generales de France SA, bought in April by Allianz AG, Europe's biggest insurer.

> The company will control 6 per-cent of French life insurance and 14.5 percent of non-life insurance. GAN SC shares were suspended pending the government's announcement in coming days of the price it will offer. They last traded at . (Bloomherg, AFP)



INTRODUCING THE EURO - A worker washing the "Eurobus," where the curious are provided with information on the new European currency, in Vienna on Wednesday.

Russia's Duma Approves Tax Cut

MOSCOW - Russia's lower house of Parliament voted Wednesday to cut the corporate profit tax rate to 30 percent from 35 percent, hoping to promote industrial growth and reduce tax evasion.

The change, which the State Duma approved in the first of three votes needed for final passage, is part of a larger program being debated to ease the government's cash shortage and meet the International Monetary Fund's conditions for an To Credit Lyonnais emergency loan of as much as \$15

> The finance minister, Mikhail Zadornov, said the lower tax rate would save Russian companies about 11 hillion rubles (about \$1.77

"The government will make up era closed cities .. the loss when a sales tax is introsaid the group's cumulative loss duced," he said, referring to a prowould be close to 100 billion francs. posal by the government for a 5 The group has sold off 40 percent of percent sales tax to be charged by.

trok over in 1995 as part of efforts to clean up its accounts and prepare it for privatization.

inatidw its budget deficit by cutting tanon and the universities.

The government has said it would ity for an emergency IMF-led loan.

cut spending by 42 hillion ruhles.

The loan is needed to bolster reserves and avert a ruble devaluation.

warned Parliament that if measures to raise revenue were not quickly passed, "the government is ready to

resign."
"The fate of the government is in the Duma's hands," he said. Russian debt yields have soared

above 80 percent this week, from 50 percent last week. The RTS stock index has plunged 15 percent in four days on concern that the Duma would not adopt the laws quickly enough to satisfy the IMF. It is curreatly at a 25-month low.

The Duma's budget committee has already recommended passage of laws ending value-added tax exbillion) as the government tries to emptions, standardizing profit tax billion francs the previous year, the group's president said Wednesday.

consumers from industry to help lift a 5 percent sales tax in the regions and ending tax-free status of Soviet-

As part of its plan, the government would allow regions to impose curities, a brokerage in Moscow. a sales tax, target tax collection from Russians with money held offshore, lay off federal employees and cut sidies for agriculture: transpor-

The government has said it would

The Duma will also consider a new tax code, which is designed to lower Prime Minister Sergei Kiriyenko taxes but increase collections, in the second of three readings on Friday. The plan is meant to transfer the

tax burden from producers to con-"Everything that we demand from a producer is finally paid for by the customer," Mr. Kiriyenko told deputies. "But producers evade

their taxes." As Mr. Kiriyenko painted a stark picture of government finances for

legislators, the Ministry of Finance sold only about a fourth of the debt on offer at its weekly auction, even at yields above 70 percent. The U.S. dollar rose to a 10-week high against the Deutsche mark on

concern that Germany, Russia's higgest lender, might not be repaid. "It's looking very scary at this point. No one sees the light at the end of the tunnel," said Dan Rappaport, sales director at CentreInvest Se-

The central hank will have to dip into reserves for an eighth straight week to make this week's debt and interest payments of \$1.3 billion, after it raised just \$370 million from sales of 154-day Treasury hills and 931-day bonds. (Bloomberg, AFP)

EU Clears Purchase of Courtaulds By Akzo

BRUSSELS - Akzo Nobel NV's purchase of Courtaulds PLC won European Union approval after Akzo, set to become the world's biggest paint maker, agreed to sell part of the combined company's aircraft paint and sealants business, the European Commission said Wed-

nesday.

The commission, the EU's executive agency, said Akzo had agreed to reduce its 80 percent share of the European market for aircraft paints and sealants either by selling Courtaulds' worldwide aerospace coatings and sealants business or selling to Dexter Corp. its 60 percent stake in Akzo Dexter Aerospace Finishes, a European joint venture with Dexter.

If Akzo chooses to divest itself of its Dexter stake rather than selling the Courtaulds business, it must prove the sale is 'equally effective in ensuring the maintenance of the competitive conditions in the aerospace coatings market"
Europe, the commission said.

Akzo, the Netherlands' largest chemicals company, secured its £2.26 billion (\$3.77 billion) bid for Courtaulds in June by agreeing to sell two American paint units to PPG Industries Inc., which was considering countering Akzo's offer. Akzo will sell Courtands' architectural and packaging coatings businesses to PPG for about \$285 million.

Akzo shares traded late Wednesday in Amsterdam at 113.6 guilders (\$55.68), up 0.55. Courtaulds shares traded at 445.5 pence, unchanged.

Losses Narrow At Thomson SA

Agence France-Presse

PARIS - Thomson SA, the parent company of the defense electronics group Thomson CSF and the consumer electronics company Thomson Multimedia, said Wednesday that its net loss had narrowed to 2.24 billion francs (\$369.6 million) for 1997.

The state-owned company had a loss of 3.69 billion francs in 1996.

Thomson-CSF "is highly profitable; but the Thomson Multimedia operations are still losing money.

Investor's Europe						
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Amsterdam	AEX	1,221.54	1,200,30			
Brussels	BEL-20	3,533.02	3,440.54			
Frankfurt	DAX	5,910.90	5,897.44	+0.23		
Copenhagen	Stock Market	733.17	734.03			
Helstoki	HEX General	-5,070.58	5,055.61			
Osto	OBX	707:42	692.16	+2.20		
London	FTSE 100	5,919.90	5,832,50	£150		
Madeid	Stock Exchange	897.27	883.42	¥1.57		
Milen	MIBTEL	23479 -	22827	+2.86		
Paris	CAC 40	4,260.68	4,203.45	1.36		
Stockholm	SX 16	N.A.	4,255.85			
Vienna	ATX ·	1,503.52	1,490.35	-		
Zurich .	SPI	5,023.15	4,932.38			
Source: Telekurs)n	व्याद्याम बच्चे भेरतजो	אוטילוו (

Very briefly:

 Assicurazioni Generali SpA, Europe's third-largest insurer, agreed to buy UBS AG's Banca Svizzera Italiana for 1.92 billion Swiss francs (\$1.27 billion) in a bid to expand in money management operations.

· Switzerland's economy will continue to grow while inflation will remain flat, the Swiss National Bank said, signaling it would not spoil the year-old recovery by raising

 World Trade Organization regoriations to abolish tariffs on hundreds of information-technology products will continue for two weeks as officials decide whether television sets and other consumer goods should be included.

 Airbus Industrie said it won an order for 20 A3 19 and A321 jetliners worth about \$900 million from Air France, which will use the short-haul aircraft to replace some of its older

Boeing 737 planes. Fininvest SpA, the communications group controlled by

Italian media magnate Silvio Berlusconi, said its nei profit rose 50 percent last year, to 595 billion lire (\$333.9 million). • Prada, an Italian fashion house, said it was not seeking to raise its stake in rival Gucci Group NV above the 9.5 percent

it already owns. • Italy's Treasury failed to sell a 1.2 percent stake, currently worth I trillion lire (\$561 million), in Telecom Italia SpA to Unisource NV, a venture of Swiss, Swedish and Dutch telephone companies. The parties were unable to reach agree-

ment on terms or pricing · Audi, a unit of Volkswagen AG, signed a Jener of intent to purchase the British motor spon specialist Tom's GB in Norfolk. The price was not disclosed.

• Unilever Group, the British-Dutch conglomerate, announced separate agreements with America Online Inc. and Microsoft Corp. to develop interactive marketing and new media programs for many of its key brands.

· Dresdner Bank AG said Dresdner Kleinwort Bensun, its investment banking arm, had bought a 67-percent stake in the Milan brokerage firm Albertini & C.

 France's cabinet on Wednesday appointed Francois Rogssely to head state-owned utility Electricity de France SA. He replaces Edmond Alphandery, who was forced out by the government last week.

DID YOU MISS A DAY THIS WEEK?

This past week's front pages are available for viewing on the IHT site on the World Wide Web.

http://www.iht.com

WORLD STOCK MARKETS

To Our Readers

Because of a technical world stock market prices were not available Wednes-

Markets Closed

Stock markets in Bangkok Hong Kong, Montreal, Shenzhen. Taiwan and Toronto were closed Wednesday for a

EDUCATION

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NYSE

(Continued)

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12 Month High Low Stock

Wednesday's 4 P.M. Close DIV YM PE 1005 High Low Latest Circle

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ASIA/PACIFIC

Koreans Waffle on Rubin Plea To Cut Fat

By Don Kirk

SEOUL - Treasury Secretary obert Ruhin pointedly asked a group of South Korea's wealthiest tycoons on Wednesday if they were considering a "big deal" for getting rid of money-losing divisions and

He received, according to one account of the meeting, an ambivalent reply from Kim Woo Choong, chairman of the Daewoo group, Korea's third-largest chaebol or conglom-

"It will take a long time," replied Mr. Kim, who is the acting chairman of the Federation of Korean Induspries, made up of chaebol chairmen, as quoted by a federation aide. "We have many other technical problems to discuss in data!" to discuss in detail."

The interchange underlined the reluctance of the chaebol to go along with efforts by the government to convince them to merge some of their higgest companies, in fields ranging from motor vehicles to petrochemicals to electronics, in order

to cut mounting losses.

Mr. Rubin refused to comment on his meeting with the chaebol leaders hul said earlier that he discussed the role of the chaebol throughout e oneday visit that began with a breakfast which American businessmen discussed the frustrations of doing husiness here.

Mr. Ruhin said he had come away from a meeting with President Kim Dae Jung, who has pressured the provide the engine" of growth, he chaebol to speed up reform efforts, with a sense of deep commitment to reform" under terms of the pack-age of nearly \$60 billion worked out by the International Monetary

With foreign reserves in South Korea now up to about \$39 billion from \$4 hillion in the darkest bours of the crisis in December, Mr. Rubin wid the United States did not need to nelp directly, but he added that "we are available for advice and coun-

The Treasury secretary's session with chaebol leaders, after he had offered his optimistic view of Korea's reform program, marked a low point in an otherwise upbeat day.



STRIPPED DOWN -- Workers in Melbourne doing a "strip protest" Wednesday against a new law limiting bonus pay and employment protection. Meanwhile, a survey predicted that the Asian financial crisis would cut 4,000 Australian jobs in the next three months.

Malaysia Plans to Revive Public Projects

KUALA LUMPUR - Finance Minister Anwar Ibrahim of Malaysia announced plans Wednesday to set up a 5 billion ringgit (\$1.22 bil-lion) fund to revive stalled infrastructure projects.

Mr. Anwar also announced that the Kuala Lumpur Options and Fi-nancial Futures Exchange would be taken over hy the Kuala Lumpur

"If it is up to the government to said, "then we will have to do

He added, "The projects will include all important projects that have been deferred but deemed to be

urgent."
Mr. Anwar said these included monorail, sewage and highway projects, but not the controversial Bakun dam project in the eastern state of Sarawak. The Malaysian government last

The country plans to raise money for the fund by selling bonds domestically and overseas.

The size of the lamb last year deferred several major projects, including the dam, following the collapse of the currency.

The size of the lamb last year deferred several major projects, including the dam, following the collapse of the currency. lending rate will vary for each proj-

ect.
The mova comes as neighboring

countries such as Singapore and Hong Kong unveiled measures to raise government spending to stem a slide in their economies. Malaysia's economy shrank 1.8 percent in the first quarter from a year ago, its first contraction in 13 years.

Mr. Anwar said the Kuala Lumpur Stock Exchange's takeover of the management of the Options and Financial Futures Exchange will "enable the KLSE to conduct futures trading activities more aggressively," It is "a commercial decision by the KLSE and its principal shareholders," he added. Details will be given later.

RUBIN: Secretary's Goal Is to Get Japan Back on Track'

Continued from Page 1

the United States and China were forging e "special relationship," e heavily veiled expression of concerns most Asian countries have of gaining a better understanding of about how China's power will grow in the coming years.
"I wouldn't characterize it that

way," Mr. Rnbin told Mr. Kim, although he added that Mr. Clinton has long regarded better relations lecture on the evils of the Inter-between the United States and national Monetary Fund's economic pain it causes.

Mr. Rubin met with Mr. Kim and business and labor leaders in hopes the issues confronting Korea as its efforts to reform its economy begin

China as important. In a day capped resuscitation program, which inby a visit to the demilitarized zone cludes maintaining high ioterest between North and South Korea, rates and introducing greater flexibility into the labor market.

Those two things are blamed for pushing companies into bankruptcy at the current rate of 3,000 a month and putting 1.6 million people ont of jobs. Nonetheless, Mr. Rubin said The more radical of the two labor the Koreans understood the need for confederations here gave him a stern broad-hased support for economic lecture on the evils of the Inter- reform in spite of the immediate

Tokyo Stocks Forge Ahead On Optimism Over Loans

By Sheryl WuDunn New York Times Service

TOKYO - The stock market carried its rally Wednesday into a sixth straight day. logging its third largest single-day gain this year, on expectations that the government's blueprint for cleaning up bad bank loans will ultimately be the beginning of an economic revival.

The yen also rose as the dollar slipped to 138.28 yen in late Tokyo trading from 139.155 yen on Tuesday in New York, partly on fears that the government might intervene in the currency markets to support the yen when it announces a bank bailout plan on Thursday.
The centerpiece of the plan is the

use of "bridge banks" to take over the business of failed institutions so that credit-worthy borrowers would not be left in the lurch if their main

The success of the blueprint is by no means certain. But for the last few days, investors have begun to raise their hopes that the proposal might actually begin to chip away large chunks of the nation's mountain of bad and doubtful debt, which totals at least \$560 billion.

In the last few weeks, Japanese politicians have taken charge of the challenge, and although some of their effort is timed to their campaigning for parliamentary elections on July 12, there is a growing sense that momentum is building within the governing Liberal Democratic Party and the government due to world pressure.

'We think it's real," said Richard Medley, of New York-based Medley Global Advisors, after talking with Japanese politicians in Tokyo this week. These guys realize that the pain of delaying reform is actually worse than the pain of reform.

The benchmark Nikkei 225 rose 16,362,89, up 532,62 points, or 4 percent from the Tuesday close, Reports that the government also might carry out a "permanent" income tax cut of up to nearly \$30 billion also sent investors rushing into the market. Kanezo Muraoka, chief cabinet secretary of the government, denied the report but suggested that the government would try to reach a decision after the elections on such an income tax cnt.



Very briefly:

 LM Ericsson AB, the Swedish maker of telecommunications equipment, said it would merge its Japanese infrastructure unit with a joint venture it set up six years ago with Toshiba Corp., in a move to cul costs.

Moody's Investors Service said ratings of five South Korean banks that have been ordered by the government to take over ailing banks had been placed on review for possible downgrades of their long-term debt and financial strength. The five named by Moody's are Hana Bank, Housing & Commercial Bank of Korea, Kookmin Bank, Kor Am Bank and Shinhan Bank,

Ford Motor Co. and Mazda Motor Corp. said their new \$450 million plant in Thailand would produce only 9,400 pickup trucks in its first six months of operation, a fraction of what was planned, because of the country's recession.

• Hyundai Motor Co.'s union workers called a halt to a 26hour strike protesting the South Korean auto maker's plan to lay off 10 percent of its employees, but threatened an indefinite strike if the company did not meet their demands within five days.

· Sales of motor vehicles in Japan fell for a 15th consecutive month in June, with 380,708 sold, down 9.2 percent from a

Indonesia Airlines Owe for Fuel

Agence France-Pressa

JAKARTA - Pertamina, the Indonesian state-run oil and gas company, has ordered the country's struggling airlines to pay cash for fuel, Pertamina's president di-rector, Sugianto, said Wednesday. Mr. Sugianto said that as of last Friday three airlines—

Garuda Indonesia, Sempati and Merpati — owed Per-tamina a total of \$19 million in U.S. currency and 103 billion rupiah (\$6.9 million) in the Indonesian currency.

RAND: Market's Target

Continued from Page 13

South Africa is somewhat insulated against damage from currency crises. Snubbed by the world, is became self-sufficient in food, steel, chemicals, textiles and other baics. It once produced a third of its own gasoline from coal; that is down to 10 percent, but fuel prices are still relatively low. Its biggest imports are unassembled auto parts, com-

puters and machinery.
The people immediately hit hardest - and complaining loudest - are the relatively small numbers of uppermiddle-class and rich people who buy imported clothes and take vacations abroad.

But anyone with a variable-rate mortgage or car loan will soon be hurt, too, if interesi rates stay high, and so will the many stores that sell to the poor on credit.

The poor should not be hurt until high interest rates slow the economy enough to cause more layoffs. Job losses are theady a problem — the economy shed about 130,000 jobs last year, while growth was only 1.7 percent. On the other hand, a weak

rand could stimulate the moribund economy in some ways. The rand is now 'clearly significantly undervalued by any measure," said Nico Czypionka, chief econ-omist for Standard Bank

All the country's exports, from gold, platinum, man-ganese and zinc to chemicals, paper pulp, fruit and wine, should benefit. Gold mines. thich have been laying off mousands of workers because gold is below \$300 an ounce, may become profitable again. because those workers are paid in rand.

The most important thing for the economy, economists say, is to get South Africans to save. They have one of the world's lowest savings rates.

When the rand was created in 1962, it was pegged at 2 rand to a British pound, back when the pound was worth about \$5 — giving the rand 2 value then of \$2.50.On Monday, it briefly hit 10 rand per

pound. When I studied in the when I states in the late 1960s, I got \$1,40 for my rand," Mr. Terrehlanche said. "Now it's 16 cents. It's hard to think we can be so degraded internationally.

-Milan, Corso Matteotti 5

Property of Banca Monte del Paschi di Siena S.p.A.

Servizi Immobiliari Banche - S.I.B. S.p.A. has been given the task of promoting the sale of the building located in Corso Matteotti 5, Milan, as is and in its present legal status. The building is located in a prestigious position between Plazza San Babila and Plazza della Scala, and is part of a larger complex built according to a design by the architect Lancia in the early 1930s. The building has six above-gmund floors, plus a basement level and a mezzanine floor, with an inner courtyard with vehicle access from Via Montenapoleone, 1. With the exception of the areas of the building for commercial use on the ground and mezzanine floors, and the apartment located on the third floor (occupied without contract), the building is complately vacant.

Interested parties should present fully secured purchase offers, by 12:00 noon on July 31, 1998 via registered latter with return receipt sent to Servizi Immobiliari Banche - S.I.B. S.p.A. In Milan, Vie Varziere n. 13.



Procedure for presenting offers: indicate the purchase price for the entire complex, specifying payment dates end

Indicate the offer's term of validity, which should be no less than 45 days starting from July 31, 1998;
provide e bank declaration that an ima-

vocable tima deposit has been made up to the date the offer is expected to expire, In favor of Bence Monte dei Paschi di Siena S.p.A. for a sum no less than 10% of the price offered;

declare that the offering party is interested in buying aclely on its own behalf and not on behalf of a person or company to be indicated later;

parry to be indicated later,

attach e declaration of consent to permit Servizi Immobiliari Banche — S.I.B. S.p.A. to process the offeror's personal data and transmit it to the Owner in compliance with Italian Privacy Law 675/96.

Offers presented will be submitted to Banca Monta dei Paschi di Siena S.p.A., for the necessary evaluations. Acceptance will be notified by registered letter. If there are a number of offers, the Owner reserves tha right to invite the offerors, via a registered letter explaining how to raise bids, to a meeting the date of which shall be therein indicated, where higher offers can be made within the framework of a competitive bidding. The premises can be examined by appointment, confirmed via fax sent to Servizi Immobiliari Banche - S.I.B. S.p.A. of Milan - Sales Management Office.

This announcement is not a public offer pursuant to Art. 1336 of the Italian Civil Code. Thus, receipt of offers involves no obligation to self to said offerors, nor does it give them any rights for any reason, including the right to brokerage or advisory less, even where the offer is accepted. The provisions of the Italian announcement will prevail over any other advertisement in a foreign language in loreign newspapers. This announcement and the sales process are governed by Italian law.

Full documentation about the building is also availa-bla on-lina at the following Internet address:



via Verziere, 13 - 20122 Milan Tel. (+39) 02-77.831 Fax (+39) 02-77.83.217 E-mail Sales Office:

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THE WORLD'S DAILY NEWSPAPER

BANCO CENTRAL FREPUBLICA DOMINICANA

NOTICE OF PUBLIC BIDDING CENTRAL BANK OF THE DOMINICAN REPUBLIC

SALE OF THE PLAYA GRANDE TOURIST PROJECT

A. General.

1. The Central Bank of the Dominican Republic gives notice to national and foreign investors of an invitation to participate, either directly or by means of their representatives duly accredited before the Central Bank, in a public bidding to present bids for the purchase of the Playa Grande Tourist Project. This complex is located on the North Coast of the Dominican Republic and is the property of the Central Bank. For purposes of this bidding, participants must demonstrate their capacity to promote and develop tourist projects of importance.

Further information may be obtained at the following addresses or numbers:

DEPARTAMENTO DE DESARROLLO Y FINANCIAMIENTO DE PROYECTOS (DEFINPRO) BANCO CENTRAL DE LA REPUBLICA DOMINICANA 2do Piso, Antigua Sede

Calle Pedro Henriquez Ureña, esq. Leopoldo Navarro Santo Domingo, Dominican Republic

Telephone: (809) 689-5311 or (809) 682-6336 Telefax: (809) 688-0120 E-mail address: webmaster@bancentral.gov.do Web Site: www.bancentral.gov.do

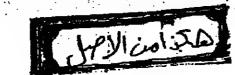
2. The project is located on 3.5 million square meters, including 1.6 kilometers (1 mile) of first-quality beachfront on the ocean. It is situated between the towns of Puerto Plata and Nagua, and between the Puerto Plata and Samana International Airports, on the North Coast of the Dominican Republic. Puerto Plata International Airport is served by a number of U.S., European, and South American airline companies with regularly scheduled passenger service and charter flights. At present, this airport accounts for 33% of international tourist arrivals in the Dominican Republic. Daily connections by air to the capital city of Santo Domingo are available.

3. The project includes a professional golf course designed by Robert Trent Jones, all 18 holes of which enjoy spectacular views of the Atlantic Ocean, and all of the amenities which are appropriate to a project of this quality, such as an imposing clubhouse, caddy building. residual water treatment plant, and an acqueduct capable of serving 4,000 rooms.

The area to be sold includes 2.7 million square meters for the construction of hotels, villas, and additional facilities, for a capacity of 4,000 rooms expandable to 6,000.

The Bidding Commission designated by the Monetary Board establishes a time limit up to and including August 20, 1998 for the receipt of prequalification proposals from those firms or entities which are interested in participating in said bidding. The Central Bank will notify the qualified firms on September 3, 1998 at the latest so that they may submit their purchase proposals. These shall be received no later that November 3, 1998, at which time the envelopes shall be opened. Prequalified participants may initiate the due diligence visit and interview process, the coordination of which shall be the responsibility of DEFINPRO, at the above listed address and phone sites.

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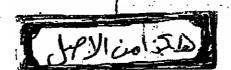
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THURSDAY, JULY 2, 1998

Herald Eribune SPORTS

WORLD ROUNDUP

U.S. Team Cancels

EASKETBALL USA Basketball on Wednesday canceled a July 14 exhibition game for the team that will represent the United States in next month's World Championship after 12 National Basketball Association players dropped out be-cause of the NBA lockout, which started earlier in the day.

Warren Brown, executive director of USA Basketball, said the game was canceled "because of the expected need for additional training time for the new team." (AP)

Blues Let Hull Go

ICE HOCKEY The St Louis Blues of the National Hockey League will not re-sign star wing Brett Hull, the leading goal-scorer in team history, the club said Tuesday. (AP)

Phillips In Trouble Again

FOOTBALL Lawrence Phillips, the Dolphins running back, is under investigation for allegedly punch-ing a woman in the face at a might club near Miami. Police said Phillips, 23, hit the woman after she refused to dance with him. (AP)

Davenport, Seles and Williams Bow Out

Sampras, Henman, Krajicek and Ivanisevic Charge On to Reach Men's Semifinals

By Jennifer Frey Washington Post Service

WIMBLEDON, England — Venus Williams went down screaming and glaring — and, at one point, crying — Wednesday on Center Court. Monica Seles was more quiet, calmly bowing her head. And Lindsay Davemport

MINETERON

hustled away from Wimbledon 1998 so quickly and meekly that it seemed as if she had planned to be elsewhere all along.

With the three remaining American women bounced from the quarterfinals, No. 1 Pete Sampras was the lonely man left to carry the U.S. flag. And Sampras did so valiantly, knocking out Mark Philipponssis, 7-6 (7-5), 6-4, 6-4, to move two victories away from his fifth Wimbledon title. His next emponent Wimbledon title. His next opponent, though, will be a doozy. No. 12 Tim Hemman, now England's best hope for sporting glory, upset third-seeded Petr Korda, 6-3, 6-4, 6-2, to ease his nation's soccer hangover the day after England suffered a penalty-kick loss to Argentina in the World Cup in France. Sampras and Henman — who is bid-

1936 - will meet in the centerpiece semifinal Friday on Center Court, with No. 9 Richard Krajicek and No. 14 Goran Ivanisevic to battle in the other. Krajicek beat Jason Stoltenberg on Wednesday and Ivanisevic beat Jan Stemirink

"It was a huge disappointment for everyone — for the players, for every-one warching," Henman said of the soccer game Tuesday night. "I didn't want to continue that trend, and I was

The dark cloud that moved across the Ail England Club on Wednesday had nothing to do with Wimbledon's usually weepy weather. It was, instead, the result of a trio of results that left the onceglamorous women's draw without a good dose of its flash. Seles, the clear crowd favorite, was beaten, 7-6 (7-4), 6-2, by the unseeded Natasha Zvereva of Belarus, who had banished the beloved Steffi Graf five days earlier. Davenport, the secondranked woman in the world, collapsed at the hands of No. 14 Nathalie Tauziat of France, who seemed to need little effort

Williams — whose towering physique,

ding to become the first British man to win Wimbledon since Fred Perry did so in sonality have made her an 18-year-old tennis sensation - failed in her loud and memorable attempt to bounce No. 3 Jana Novotna from the field. Novotna won that quarterfinal, 7-5, 7-6 (7-2), after watching Williams stare down one lineswoman, berate another and share a few unhappy words with the chair umpire.

When it was over, Wimbledon found itself with a diverse set of women's semifinals scheduled for Center Court on Thursday. One is a reprise of last year's title match, pitting No. I Martina Hingis — who avoided upset fever with her 6-3, 3-6, 6-3 victory over No. 5 Arantxa Sanchez Vicario — against Novotna, whose most memorable Wimbledon moment remains the day she cried on the Duchess of Windsor's shoulder in defeat. And the other features Zvereva and Tauziat, two relative unknowns who have unexpectedly blossomed in a field abloom with hig names

and colorful personalities.

"It's really, it's really...hmmm, in a nice way?" Novotna said, when asked for her reaction to the semifinal field. 'It definitely was very surprising.'

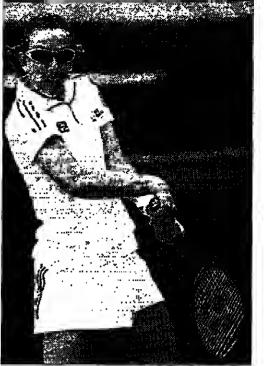
Novotna did not count herself among the surprises — she meant Zvereva and

tainly did. Having announced that she planned to win Wimbledon this year, Williams was frustrated by the way in which her plan self-destructed.

But her match was a far cry from the two disappointing duels on Court 1, when both Seles and Davenport ended forceful Wimbledon runs with the smallest of whimpers. Playing her first singles match on Center Court, Williams lost the first set despite holding a 4-1 lead at one point. Then she erupted in the second, staring down a lines-woman and shouting, "You've got to call 'em!" when one questionable de-cision helped lead to a break

of that set. She lost her temper again when yet another call confounded her while serving in the seventh game.

On the changeover after that game — in which she also was broken — Williams threw down her racket, snatched up her towel and appeared to have tears



in her serve in the first game Natasha Zvereva eyeing victory Wednesday.

welling op in her eyes.
"I think that the crowd probably enjoyed my emotional outbursts," liams said later, dismissing the suggestion that her behavior was inappropriate at this staid tournament.

McGwire Gains In Home-Run Pursuit, but He's Not Alone

If Mark McGwire keeps it up, he will break Roger Maris's home run record. But he might have company.

McGwire tied Reggie Jackson's record for most homers before the All-

1115 325

Vill Ga

far break, hitting No. 37 in St. Louis's 6-1 loss to Kansas City on Tuesday

BASEBALL ROUNDUP. :

night. But Seattle's Ken Griffey Jr. and Sammy Sosa of the Chicago Cubs each hit No. 33 to keep pace in their pursuit of Maris's mark of 61 homers in 1961. McGwire, who also singled and

doubled, hit a 472-foot shot off Glendon Rusch in the seventh in St. Louis, Missouri. Rusch, who was shelled in his previous start, held St. Louis to six hits in eight innings.

Jeff Conine drove in two runs and stole home for the Royals, who played

כיווע במגד ב break, but hit only 10 more the rest of the season. McGwire has 37 homers in 21 games, with five remaining before enth with an unearned run, then added a he All-Star game Tuesday in Denver.

lost to Arizona in Chicago.



in St. Louis for the first time since the Snagging a pop fly, the Texas catcher Ivan Rodriguez plunges into the camera well in a loss to Los Angeles.

franchise history at 8-20.

Colorado broke a 4-4 tie in the sevrun in the eighth on Randy Johnson's

Diamondbacks 5, Cubs 4 Sosa extentled his major-league record for homers
in a month by hitting his 20th in June—
a solo shot in the eighth — but the Cubs

wild pitch.

Pedro Astacio got the victory, giving up four runs and seven hits in 7½ innings. Johnson allowed six runs and 10

hits in eight innings. He struck out 12, Rockies 6, Mariners 4 Griffey hit a walked one and threw two wild pitches. Solo shot in Seattle, but he flied out with Red Sox 7, Expect 4 Nomar Gar-

Red Sox 7, Expec 4 Nomar Gar-

Clemens pitched a six-hitter and walked one in his second complete game of the

Brewers in a trust - might be left for

streak in nearly a year.

Jackson had 37 homers in 92 games a man on third to end the game as the .ciaparra singled to extend his hitting and Moises Alou each hit two homers at Astrodome as Houston routed Chicago. The Astros matched a season high with 18 hits and scored their most

in four runs as visiting Florida rallied from a five-run deficit to hand Bal-

2) struck out 11 and pitched a five-hitter to become the third 11-game winner in the American League as New York tri-

umphed over visiting Philadelphia. Dodgers 4, Rangers 1 Darren Dreifort allowed three hits over eight innings and Adrian Beltre hit his first major-league homer for Los Angeles in Texas.

Will Clark's double in the fifth. He struck out seven and walked none as the Dodgers won for the third time in four games.

Browers 5, Indians 4 In Milwankee,

for the seventh time in eight games and improved to 8-4 in interleague play. Angels 4, Giants 3 Garret Anderson's

This Ullrich Is No Joke: He's Primed for the Tour

By Samuel Abt

tional Herald Tribuni PARIS - Let's have no more jokes, please, about tubby Jan Ullrich - how he will do his military service in Germany as a blimp and how, when his Telekom team shows up for a bicycle race, he counts as two of the nine entries.

True, Ullrich gained at least 10 kilorams (22 pounds) during the winter as he chomped his way through banquets celebrating the first victory by a German in the Tour de France. And true, when he showed op for the first races of the year in February, people worried that instead of a titanium bicycle under him, perhaps he should be riding something made of a metal less likely to buckle, like cast

Always stocky, he weighed in after the winter revels at 83 kilograms (182 pounds) on his 1.83-meter (6-foot) frame, which explained his dismal results in his first three mooths of racing. That's over oow. The lard has been

rendered, the suet sweated off. The two cases of bronchitis and the ear ache that set back his training are long behind him. His miserable April and its 78th, 97th and 134th places in

races in Spain are just memories. The 24-year-old German, who his ished second and then first in his initial two Tours de France, is back in form and hungering for another victory in the world's greatest bicycle race. "I'm at 90 percent now," he said a few weeks ago, 'and certain that I'll be ready for the start of the Tour."

There is scant reason to doubt him. In the Tour of Switzerland last month, he showed that his time-trialing skill had returned, and he stayed with all hut the

top climbers in the mountains. Those were the two keys to his victory in the last Tour: gaining minutes in the time trials and losing nooe to his main rivals in the mountains. The formola should work just as well when the 85th Tour starts its three-week journey

on July 11 in Dublin. Dublin? Sure, why not? The Tour de France has started before ontside the mother country—in the Netherlands as recently as 1996, in Spain in 1992. What's really new is that the start, usually at the beginning of July, was pushed back a week to allow a soccer tournament in France to get itself over with. The late start means that the roughly 3,850-kilometer (2,390-mile) race of 21

not finish in Paris until Aug. 2.
Once the Tour reaches France, in Brittany on July 14 after three days in Ireland, it will follow a counterclockwise route, passing the Pyrenees first and theo the Alps.

At least on paper, the mountains are not as fearsome as usual this year. There will be two daily stages in the Pyrenees followed by a day off on July 23, and three in the Alps, but the first-rank climbers have complained hitterly that this is not a course that favors them.

Not demanding enough, say both Richard Virenque, the Frenchman with the Festina team who has won the top climber's jersey in the last four Tours and finished second overall last year, and Marco Pantani, an Italian with Mer-catone Uoo who finished third last year, won the Giro d'Italia in June and is generally reckooed the most dominat-

generally reckooed the most dominating climber in the sport.

Neither ooe is an outstanding time trialer, as Ullrich is. Since this Tour will have the customary two loog races against the clock — 58 kilometers on July 18 and 52 kilometers on Aug. 1— Virenque seems unlikely to repeat his appearance oo the final podium.

Pantani is another cae: He is oot sulking, as Vireoque is, and may be cooleaded enough to understand in riders, not mountains, make the race.

Other ohvious contenders are riders in Ullrich's mold if not quite his class. They include Bjarne Riis, a Dane, Ullrich's teammate and the winner of the 1996 Tour hut now a creaky 34 years old. Abraham Olano, a Spaniard with Banesto, can climh and time trial with the best, although he cannot necessarily do both in the same race. Laurent Jalabert, a Frenchman with ONCE, has been nnable to get over the highest mountains in his last two Tours and so has changed his training methods, pos-sibly for the better. Michael Boogerd, a Dutchman with Rabobank, gets

strooger all the time. Two more riders who should do well are Alex Zulle and Laurent Dufaux, both Swiss and both with the Festina team, which is led by Virenque. If they can all work together, they can take turns making trouble for Ullrich.

Days before the prologue in Dublin, however, the defending champiou's main threat still appears to be his appetite. If he can restrict himself to the 6,000 or 7,000 calories a day that most hicycle racers consume, he figures to he teams composed of 9 riders each will in the yellow jersey by the finish.

Baseball Owners to Elevate Selig in a Week

July 9, two days after the All-Star completing arrangements to place his Game, to make it official and elect ownership stake in the Milwaukee Bud Selig the sport's commissioner.

among the 30 teams that are required ber 1992, said from Milwankee: "All Fill say is what I've said before: It's Baseball sources said that the vote important to move the process

almost certainly would be held next along."

Washington Post Service week but that the final details of Se-BALTIMORE — Baseball's team lig's appointment — such as deter-owners have scheduled a meeting for mining the length of his contract and

The meeting is scheduled for later.

Chicago and Selig appears to have more than enough of the 23 votes interim commissioner since Septem-I'll say is what I've said before: It's

majors this season - and Damon Buford went 3-for-3 as Boston defeated visiting Montreal.

Athletics 12, Padres 10 Mike Blowers had a two-run single as Oakland scored four runs in the eighth to edge visiting San Diego and complete its first winning month in two seasons.

Tigors 3, Pirates 0 Brian Mochler pitched a five-hit shutout for his first road victory this season, and Detroit won in Pittshurgh for the first time since the 1909 World Series.

Stue Jays 6, Mots 3 Roger Clemens struck out a season-high 11, and Jose Can-seco and Carlos Delgado hit consecutive homers to top New York in Toronto.

season and 111th of his 15-year career. Reds 6, Twins 3 Willie Greene hit a three-run homer as Cincinnati beat visiting Minnesota to win its fifth straight game — the Reds' longest winning

Braves 7, Devil Rays 2 Andres Galarraga homered in his first two at-bats at Tropicana Field after missing five games with a sore back, helping Atlanta to victory.

Astroe 17, White Sox 2 Jeff Bagwell

runs since 1995. Marline 7, Orioles 5 Cliff Floyd drove

timore its seventh straight loss.
Yankees 9, Phillies 2 David Cone (11-

Dreifort retired the first 13 batters before

Cal Eldred beat Cleveland for the first time since 1992 and singled for the first two RBIs of his career. The Brewers won

three-run homer highlighted a four-run sixth inning that lifted Anaheim over visiting San Francisco.

| Carrier | Carr BASEBALL MAJOR LEAGUE STANDINGS

SCOREBOARD

TUBBLAY LINESCORES

TOTT, Alon 2 (18).

(Annual City 229 642 871—6 9 8 (77), Alon 2 (78), Alon 2 (7

Lowers, Borland (3), Sproding in and Lieberthot; Cone and Grand, W—Cores 11-2.

L—Lowers, 2-1. HRs—Philindelphio, Zober (1), New York, Showberry (11).

Realise 98 228 209—7 11 8

Realismore 229 600 600—5 8 1

Macciona, Darensbourg (4), Edmondson (6), F. Heradia (8), Mantel (9) and Zours Erickson, Chorifon (6), Mills (7), Orusca (8) and Webster, W—Edmondson, 2-1. L—Mills, 1-3. Sv—Martel (2). HR—Railmora, R. Polmeiro (2-0. Clewinod 902 100 900—4 18 8

Millyworten 901 600 901—5 11 2

Jr.Wright, Macmon (6), Phack (7), Shuey (8) and S. Almore Edired, M. Myes (7), A. Reyes (7), Wickson (8) and Hughes, W—Eldrod, 4-5. L—Je.Wright, 7-5. Sv—Wickson (11). HR—Millyroukee, Js.Valentin (12).

Les Angales. 910 912 600—4 6 8

Treitors 90 911 000—1 3 6

Dreifort, Osuna (9) and C. Johnson; Heiling, X. Hernondez (7) and J. Rodriguez, W—Dreifort, 5-6. L—Heiling, 11-4. Sv—Osuna (3). HRs—Las Angeles, Beitra (1), Tayas, F. Tolis (9).

Sw—Course (S). HRs—Los Angeles, Beltre (I). Texas, F. Tolis (D. Coloredo 101 420 118—6 10 3 Sestite 121 900 980—4 0 3 Astucio. McElroy (B). De Jean (D). Veres (S). Manaz (S) and Manwaring: R. Johnson, Thelin (S) and Marazon, W—Astucio. 6-8. L—R. Johnson, 7-7. Sv—Munaz (I). HRs—Coloredo, N. Perez (S). Scotlin, Griffey Jr (33), R. Dovis (13).
San Francisco 100 980 200—3 8 7 Analysis (S). See (S). S

MATIONAL LEAGUE
Artzona 301 000 100—5 9 0
Chicago 000 101 110—4 9 0
Blaiz, Embrer (7), Olson (6) and Fabregos;
M.Clark. B. Polfosson (7), Stovens (7),
Pisciota (8), Mulliolland (8) and Houston.
W—Blaiz, 2-11, L—M. Clark, 4-8. 59—Olson
(11), HRs.—Adzono, A. Fox (6), M. Williams
(1-0), Chicago (N), Sose (33), Ma.Grace (8),
H.Roddmar (78).

AMERICAN LEAGUE LEADERS

G AB R H Avg.

IRodriguez Tex 7 288 50 102 335

BWIlliams NYY 97 224 47 79 353

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Stoics Coix 72 397 49 101 322

Higginson Det 79 304 37 99 326

O'Nell NYY 75 306 51 99 324

RUNS—Griffley Jr, Seattle, 70 Grieve,
Ocidand, 63: Thome, Cleveland, 62: Edmands, Anotherist, 61: A Rodriguez,
Seattle, 60; D. Jetsc. New York, 58: Durham,
Chicago, 58: JuGonzolez, Tecus, 58.

RBI—Jedonzolez, Tecus, 58.

S. O. Leary, Boston. S. B. Williams, New York.

MOME RUNS—Criffey Jr. Seartise, 33: A. Radriguez, Seatile, 27: J. UGonzolez, 18th.

HOME RUNS—Criffey Jr. Seartise, 33: A. Radriguez, Seatile, 27: J. UGonzolez, 18th.

24: R. Palmeira, Bolitimore, 24: Cansaco, 25: B. Boore, Cincinnoti, 29: Blagh, Houston, 27: Blagh, Houston, 29: De. Bell, Houston, 24: Sn. Boore, Cincinnoti, 29: Blagh, Houston, 29: De. Bell, Houston, 24: Sn. Boore, Cincinnoti, 29: Blagh, Houston, 29: De. Bell, Houston, 24: Sn. Prontino, 24: Thome, Cieveland, 21: M. Dega, 24: Blachtle, Colorodo, 24: Bonde, Son Prontisco, 24.

TRIPLES—Deshields, St. Louis, 7: A. Jones, Atlanta, 6: V. Bertille, Malarite, 6: Glanville, Philadelphia, 6: B. Lorkin, Cincinnoti, 4: V. Geerrera, Montraed, 5: N. Perez, Colorado, 5: S. Finley, Son Diego, 5:

12: A. Rodriguez, Seatile, 27: J. Hunter, Definite, 21: Cansaco, 7: Son Diego, 3: Holman, Cincinnoti, 4: V. Geerrera, Montraed, 5: N. Perez, Colorado, 5: S. Finley, Son Diego, 5: HOME RUNS—ACGwire, St. Louis, 7: Son Diego, 5: HOME RUNS—ACGwire, St. Louis, 7: Golorogo, 48: Alova, Houston, 18: Burnitz, Millarotee, 18: H. Rodriguez, Chicago, 18: Alou, Houston, 18:

STRIKEOUTS—R. Johnson, Seatile. 158: P. Martinez, Boston. 137: C. Finley, Anathelin. 126: Clement. Tortorito. 113: Ericison. Baillinore, 101: Sele., Texus., 99: Cone. New York. 99.

SAYES—Perchal. Anathelin., 25: Gordon. Boston. 24 Welffeland. Texus., 22: Radiyers. Tororito, 22: M. Rivera, New York. 19; R. Hemondez, Tampa Bay. 17; M. Jackson. Cleveland, 17.

NATIONAL LEAGUE LEADE E. NATIONAL LEAGUE LEADERS

Doisiond, 62: Thoms. Cleveland, 62: Edmonds, Ancheim, 61: A. Radiguez, Seattle, 60: D. Jefe, New York, 56: Durham, Charge, 58: JuGanzolez, Tessa, 58. Kendal Pt. 76: 276: 46: 9: 325

RBI—JuGanzolez, Tessa, 96: Griffey Jr., Seattle, 72: Thoms. Cleveland, 68: R. Polmeire, Baltimore, 68: A. Rodriguez, Seattle, 69: Belle, Chicage, 68: A. Rodriguez, Seattle, 69: Belle, Chicage, 68: M. Ramirez, Seattle, 69: Belle, Chicage, 68: M. Ramirez, Seattle, 69: Belle, Chicage, 68: M. Ramirez, Corveland, 62.

HITS—A: Rodriguez, Seattle, 110; Enstad, Anghelm, 109: I. Rodriguez, Seattle, 110; Enstad, Anghelm, 109: I. Rodriguez, Tessa, 102: M. Vougha, Baston, 101; Grieva, Ocidend, 99: Higgliston, Deltail, 99; JaGonzalez, Tessa, 26: Chicage, 69: Alou, Houston, 72: McGerite, 51: Louis, 68: Seat. Chicage, 61: A Rodriguez, Tessa, 26: Chicage, 61: A Rodriguez, Tessa, 26: Chicage, 79: Costago, Testad, Anghelm, 26: Chicage, 79: Costago, Testad, Anghelm, 26: Chicage, 61: A Rodriguez, Tessa, 24: TRIPLES—Offerman, Konsos City, 9: Garciapura, Reation, 62: Chicage, 64: Alou, Houston, 64: HITS—Bichette, Colorado, 64: Chicage, 11: J. Franco, New York, 11: Beck, Chicage, 12: J. Franco, New York, 11: Beck, Chicage, 64: Alou, Houston, 65: Republic, Chica

STOLEN BASES—Ecyceng, Los Angeles. 32; Warnack, Päisborgh, 28; Renterla, Florida, 26; Biggla, Housten, 25; Clayton, St. Louis, 17; D. eShields, St. Louis, 17; Q. Verus,

LULEAGUE LEADERS

6 AB R H Aug.
72 277 48 9 5 37 6 235 51 77 336 83 348 51 117 336 57 6 278 44 93 325 51 76 288 61 51 177 38 58 58 61 58 6

CENTRAL LEAGUE Chonictu 4, Honshin 2, 12 ionings Yokut 7, Yomień 2 Nippon Ham 3, Daiel 6, Ortx 2

CRICKET SRI SANKA VS. INDIA

WEDNESDAY, IN COLOMBO Indice 163 (35,4 overs)

> TENNIS WIMBLEDON

QUARTERFELLE MEN'S SINGLES Richard Kruficek (9), Nether Davide Sunguinett, ficity, 6-2, 6-3, 6-4; Goran Ivanisavic (14), Croatia, del. Jan Siemennt. Natherlands, 7-6 (12-10), 7-6 (7-5), 7-6 (8-6). Pete Sampras (1), United States, def. Mark Palippoussis, Australia, 7-6 (7-5) 6-4 6-4

Primppotesis, Australd, 7-6 (7-5) 6-4 6-4 Tim Henman (12), Britain, def. Petr Korda (3), Czech Republic, 6-3, 6-4, 6-2.

WOMEN'S SINGLES WOMENT'S SINGLES
Nothalia Trained (16), France, def. Lindsoy
Dovenport (2), Unided States, 6-3, 6-3; Mozfine Hingis (1), Switzerland, def. Arantza
Sanchez Vicario (5), Spotth 6-3, 3-4, 6-3,
Natashaz Zvereva, Belarus, def. Montica
Seles (6), United States, 7-6 (7-4), 6-2; Jana
Novotna (3), Czech Republic, dof. Venus Williams (7), United States, 7-5, 7-6 (7-2).

TRANSITIONS AMERICAN LEAGUE

AMERICAN LEAGUE

BALTIMORS—Activated RHP Neno Rodrig102 from 15-day disobled list. Designated RHP Yerry Mathems for assignment.
BOSTON—PIL INF Lou Merioni on 15-day disobled list. Recalled INF Donnie Sadler from Pawledest. IL.

SEATTLS—Activated OF Roul ibonez from 60-day disobled list and optioned him to Tocomo. PCL. Designated OF David McCorty for assignment. Signed LHP Andrew Vom Heiden. C. Crimo Kurzic, and RHP Justin.

Haldken, C Craig Kuzmic and RHP Justin

NL—Suspended Pittsburgh C Joson Kend-oll and Les Angeles OF Gary Sheffleld 3 games each, effective July 1, and fined them undisclosed amounts for fightling and pro-voking bench-clearing incloser on June 28. ARZONA—Activated C Jurge Fobrepas from 60-day disabled list. Optioned INF Alike Roberton to Turson. 201 Robertson to Tucson, PCL.

MILWAUKEE —Agreed to terms with RHP MILWAUKEE —Agreed to berns with RHP
Bob Wictonan on 3-year contract.

M.Y. METS—Seat INF-C, 5m Tahun outright
to Norfolk, IL. Sold contract of LHP Mark
Mimbs to Onte Bluerays JPL.

ST. LOUIS—Signed RHP Chod Hutchinson
to 4-year contract.

BASICETRALL

MATIONAL EASSICTEALL ASSOCIATION
BOSTON—Francisco golden on G-F Ruice

Bowen for 1998-99 season. Declined to exaction option on G Types Edwey.

oritance — Wolved G Mark Price.

PHILADELPHIA—Bought out final year of F
Derrick Colonians controct, making him free

SEATTLE—Released G Dale Eith, SEATTLE-REJECTED & DOZE & LIE.

FOOTBALL

NATIONAL POOTBALL LEAGUE

CINCHINATI-Wolved P BIE Kushmer.

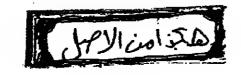
JACKSONVILLE-Signed DT Ed Phillion,

NEW ENGLAND-Signed DT Leonito

PHILADELPHIA -Signed TE Charl Lewis to I-year contract. SAN FRANCISCO—Signed DIE Kerry Hicks to HOCKET

NATIONAL HOCKEY LEAGUE
CALGARY—Announced second officialion
ogreement with Johnstown, ECHL
MASHVILLE—Signed C Jim Downl.
N.Y. RAILE—Signed C Jim Downl.
N.Y. RAILE—Signed for LW Sylvain Blouin and
1999 489-2014 drift in the Sylvain Blouin and 1999 6th-round draft pick,
orthana - Named Rick Dudley general
manager and signed him to 3-year contract,
PHOENIX - Acquired C. Milke Sulfham from
Nashville Predators for 1999 7th-round draft

TAMPA SAY—Re-signed F Alex Sellvor



World Cup

Flight Path of Fast-Moving Star

Hard Choices Now Confront 18-Year-Old Owen, England's Hero

By Rob Hughes

ARIS — Do yoo get the impression that the stars of soccer, ordinary though they may be beneath their national colors, move in a different way, at a different speed than the rest of us?

England's besten squad flew home to London in time for tea on Wednesday

VANTAGE POINT

--- by Concorde of course. It was a photo opportunity for the airline, a comfortable ride for the players and in terms of speed it represents the ultimate.

So, it seems, to the youngest pas-senger. Michael Owen, England's 18year-old striker, made one goal against Argentina in Saint Etienne on Tuesday night with an artful fall for a penalty, then scored one of the most scintillating goals of this or any World Cup. In a vanquished team, he is a new hero. In a tournament of older - hy sporting standards sometimes elderly - men, he is a baby.

-Yet, around the soccer world there was an intake of breath on Tuesday when he was with the ball. Ton swift was Owen for Jose Chamot. Too clever for Roberto Ayala. Ton sharp with his right-

foot shot for goalkeeper Carlos Roa. Owen flew over the 40 meters with the speed of an Olympic sprinter. His young and therefore uninhihited dash brought fear and panic into the eyes of defenders who are seasooed Italian club players and have close to 40 international caps apiece. Astonishing that one s young and so free could command

It could be that Owen's impact oo a World Cup is the biggest since Pele's in 1958. Not that Owen is a genius, like Diego Maradona, or yet a proven in-ternational, like Ronaldo who, for heaven's sake, is a veteran of 21. The impact is exaggerated because, outside of soc-

cer's circles, Owen was little known. Maradona, for example, was crying tears for Argeotina when, in 1978, he was left on the sidelines. Four years later, having reached manbood in the eyes of the national coach, Maradona was thrust into the World Cup in Spain. He betrayed his excitable state, being red carded for a retaliatory kick.

This Tuesday, an Englishman fell for the same petulant reaction. David Beckham, talented but temperamental, was sent off a minute after half time for a sly (or so he thought) kick.

To say it was foolish understates the act. Beckham had been fouled from behind by Diego Simeone hut had been awarded a foul. Indeed referee Kim Nielsen, a Dane who was rather impressive until FIFA's latest aothoritarian statements appeared to afflict his judgment, was already showing the yellow card to Simeooe when Beckham, flat out of the ground, flicked his boot at imeooe's calf.

Nielsen, who earlier gave dubious penalties, had on option hut to send off England's Spice Boy. The red card, and the depletion of England to 10 men against 11, destroyed what had been a dramatically poised match. The score stood at 2-2 when Beckham betrayed his

countrymen. His apology Wednesday came too late, for even though England was heroic, especially the warriors Paul Ince and Sol Campbell, it was heroism

under siege.
Argentina could not break the English resolve but - a familiar tale this to England - won the dreaded penalty shoot-oot. Not for the first, nor the secood, but for the third time England went out of a major tournament because unprepared players could oot calm their nerve and hit the net from 12 yards.

As Beckham became the subject of television psychoanalysts, as he paid his \$2,000 FIFA fine and flew on with the Concorde, following his celebrity girl-friend Posh Spice to New York, he was forgotten around Heathrow Airport. The kids, and the grownups, who gathered to greet the England players as if they were returning from the Falklands, were flocking to Michael.

Young Owen was coming home, and home is a stable base for a young man who, not yet of Beckham's multimillionaire status, oot yet distracted by a girl in high places, has the world before him. Agents will flock to his door, will try to lure him from Liverpool, where he has had one spectacular scoring season and six years' steady mittion.

But home is not the soccer clob.Owen is the son of Terry Owen who, at 17. began a precocious professional career of his own, at nearby Everton. Owen Senior petered out into lower league soccer.

Terry Owen can keep Michael's feet on the ground. He can advise the teenager against the temptations oow surely heading their way because all clubs



Michael Owen preparing to finish off his dazzling run with a goal against the Argentine goalie, Carlos Roa.

everywhere, will have seen the astonishing quickness that makes defenders tremble, and seen too the artful way the youngest player in the tournament hoodwinked an experienced referee to gain a penalty.

for a petulant head-hott and a spiteful foul. What happened to Beckham might serve as a lessoo to Owen; what happened to his father's career should also register.

Those he trusts will be wrestling with They may not be aware that, already, the dilemma of cashing in on instant Owen has two red cards oo his record, fame, taking the money and huilding the

bank account while he is fit and fresh. Or resisting the distractions and settling down to home cooking and going hack to his Liverpool finishing school. Fame, for the sporting wunderkind, cuts all ways.

Rob Hughes is Sports Correspondent

In a Long Night of Epic Exploits, an Abundance of Heartbreak and Elation

English Fans Are Once More Shattered by Defeat

By Jennifer Frey and Anne Swardson

painted oo Shawn O'Keefe's face was streaked and smeared, wiped partially off on his friend's white dress shirt and on the back of his own right hand, and distorted by a stream of his sweat and

"I don't know why it has to happen every time, every time, every time, every time," O'Keefe said, standing ontside a pub in Piccadilly Circus in London. "It seems it is our lot in life."

Devastated English fans poured ont of pubs and res- casions. taurants and homes and into World Cup loss by their be- waving banners. loved national soccer team.

overtime before losing, 4-3, in a penalty-kick shoot-out in Saint-Etienne, France,

The players "have given everything for their country," said England's coach, Glenn Hoddle, whose team bad played with 10 men to Arfielder David Beckham was ejected two minutes into the second balf. "They should be Etienne, a city of 450,000, very proud of their perfor-

In the stands, the previpassed and the English players kept pushing the ball down to the Argentina goal, nearly scoring on several oc-

After the game, the English the streets of London late fans slipped away, but the Ar-Tuesday, their faith shattered gentines stayed in the stadionce again by a dramatic um, singing, chanting and

Riot policemen stood about Representing the natioo that at ease, helmets hung on their policemen was on hand. invented the sport but has hips, as a few hangers-on won its greatest prize — the lingered. The police said there near Piecadilly Circos in Lon-World Cup - only once, the were 18 arrests before the don, the Argentine goalkeep-English team played Argen- game and 21 after, for such er Carlos Roa's decisive save tina to a 2-2 draw through 90 offenses as public drunken- on David Batty's penalty shot minutes of regulation and 30 oess, picking pockets and minutes of sudden-death throwing bottles.

Earlier in the afternoon, the ambiance in Sair-Etienne was far warmer than that preceding England's last game. in Lens. There, a 24-hour alcohol ban covered the entire regioo -- and many English fans sat glumly on curbs all gentina's 11 after the mid- afternoon with nothing to do and nothing to drink.

throhbed with activity. There was a rock concert in one of the central squares, and all ously rancous English fans around it stands sold sandgrew quiet as the minutes wiches, ice cream and, as signs proclaimed in English, "Fresh Beer." The prefect of the region, Jean-Yves Audoin, said he had decided not to impose an all-day alcohol ban because the police would waste ton much time enforcing it. Instead, bars were ordered to close immediately after the game and a reinforced cootingent of 1,500

> In The Glasshlower, a puh - England's fifth, and final, one of the tie-breaker -



A young fan displaying his allegiance before the match.

seemed to suck the air out of brought to its knees again, the barroom, which was Terry Fenwick, a member of packed with patrons craning England's 1986 Cup team, said to watch two televisioo sets. in a television interview. "It "The nation has been seems as if we're jinxed."

Joy Fills the Streets of Soccer-Mad Buenos Aires

By Anthony Faiola

BUENOS AIRES - It's 4 P.M. in the world's 10th-largest metropolis — a time defeat, when this city of 14 million is usually crazed The with activity — but on this day someone might as well have bung up a sign that said; "Closed for the World Cup. Be back in two

Departures at the international airport were Stock Exchange ground to a halt.

soccer field, and Bucoos Aires collectively erupted in a startling break of calm. Screams and shouts of joy echoed down its grand boulevards as perfect strangers ran into the streets and danced together, many with faces painted with the colors of the Argeotine flag. Confetti fell from every office building. Highlevel executives and shoeshine men blew plastic trumpets in unison.

married, the day my children were born and the natioo in a way that politics has never the day I first had sex all rolled into one!" said united us here."

Alberto Berrucci, 54, a cellular-phone salesman celebrating around the Argentine Obelisk in central Boenos Aires, where thousands of fans congregated after England's

The fervor in Argentina reflects a planet gone mad with World Cup fever. More Britania tons watched England lose to Argentina in a penalty shoot-out on Tuesday night than saw hours."

As the Argentine team edged its way to victory on Tuesday, time essentially stopped, turning this teeming capital into a ghost town. The nation became one with its relevisions and radios, glued to a soccer game in France; half a world away. Surgery in hospitals was postponed. Businesses did no business. Legislators locked themselves in their offices.

Departures at the international airport were.

For developing nations - and especially delayed. The rapid tango of the Buenos Aires those in Latin America - these are times of overwhelming national pride. Argentina saw Then, the floodgates opened with a word:
"Goooaaal!" Argentina had just triumphed in its latest war with England, this time on the in the 1982 Falklands War. Colombia, Mexico and Paragnay have put in respectable Cup performances. Flag sales in Argentina have

sky-blue Argeotine flag in a huge roll outside her hat store.

'It doesn't matter if you're rich or poor. 'It's a feeling that's like the day I got Everyone is together, everyone has pride in

SHETTER ATE A AVE

BULLBORIES

ENGLAND: Flair and Flops Mark a Match Heavy With History

of Maradona and permitted the goal that beat England in a ticket. marterfinal. This time, Nielsen, under orders to keep law and order, waved a red card, tossing Beckham out of and gates, where phalanxes of the game. A yellow warning police and dogs and horses card would have more than sufficed.

The display of authority

meant England would play virtually one hour and 15 minutes a man short. It also meant that Owen's wonderful ished, because he had to stay home and help on defense: The two teams wobbled to

dulged in the only humane

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defeated into the dewy mounand chemical sprays awaited any lager louts who crossed

ment, this "vendetta," darts and dashes were fin- was oot just some random a 2-2 tie and then they in- little episode in 1982 called the Argentines.

haphazard as buying a lottery The English fans went out

There was a history to this game, this rivalry, this resentword that Hoddle hates. This soccer pairing, some Denmark-Nigeria game. This was a reverberation of the nasty the Falklands War by the British and the Malvinas War by

Then there came a World Cup encounter, oo June 22. 1986, in Mexico City, when Maradona punched in one goal with his hand and scored a second with a glorious hipper-dipper run through six or seveo British defenders. Gary Lineker later scored for England, but Argeoma. on to win the World Cup. fans still land, but Argeotina would go

tie-breaker known to man, the chanted, "Argentina without penalty-kick shont-out, as Maradona is like a dance without women," but his drug-and scandal-addled career is over. "We want to be original,"

said Daniel Passarella, the tain night, outside the walls Argentina coach, who was a teammate of Maradona's in 1986. "We won't do a Maradona. We'll do our best to practice fair play."

The English coach also was on the field that day in 1986. "It was an even game until Maradona scored with a hand hall," Hoddle recalled this week. "Without that, Argentina would oot have won. Sure, the secood goal hy Maradona was extraordinary, hut he oever would have scored that killer goal if the score had been 0-0."

Hoddle also recalled how he and Maradona happened to be called in for the random drug testing after the game.
"We didn't talk, as I remember, but we shook

hands," he said. "I remember Butcher, and he was in an-Butcher had wanted to strangle Maradona, in fact,

but somehow refrained.

"It took me two or three days before I could find any serenity," Hoddle said. "I was on vacation wheo Argentina played Germany in the finals. I saw the game at the 16 One of the finest beach, with II Germans, and 13 Asseveration I don't have to tell you who I ss Sarta's coat?

rooted for." Hoddle will have to watch the World Cup oo the tube 17 Kipling's The again this year, thinking about the hit of mutual foolishness that took Michael Owen and England out of another World Cup.

■ A Red-Card Record

Beckham was the 17th player to be sent off at the 1998 tournament, a record for World Cup finals, Reuters reported from Paris.

Alan Shearer's penalty for England was the 147th goal of the tournament, setting a World Cup finals record; 146 goals were scored in 1982.

The penalty shoot-out was the 12th in World Cup finals standing oext to me was Terry and the fifth between South American and European teams. Since France beat Brazil in the first such decider in 1986, the South Americans have always won.

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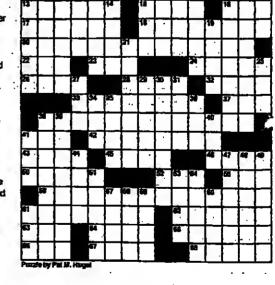
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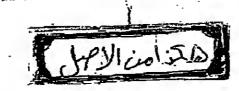
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WORLD CUP

Adidas Cancels Chinese Orders

Adidas, the company that makes soccer balls for the World Cup, said Wednesday it was canceling all orders for balls from China after a report linked production with prison labor. The newspaper report Tuesday had cited an official at the Dazhong Agricultural Machinery Factory, which is attached to a labor camp near Shanghai, as saying that the firm has made balls for Shang-

hai Union Ball Enterprise Corp. The balls are not those used in the World Cup but are cheaper copies for general sale.

Fan Douses Sacred Flame

French and Mexican officials held a ceremony Wednesday to relight the eternal flame after a Mexican soccer fan extinguished it in what authorities called an 'unspeakable act."

Police said Rodrigo Rafael Oxtega, 24, described as a soccer fan, was detained overnight after pour-ing a glass of unspecified liquid on to the flame.

He was arrested for offending the dead and being drunk in public but was released on Wednesday with-"This has been an attack on the

memory of those who died for France, and their honor," the statement said. The flame has been burning since 1921 over a grave containing the remains of an unnamed French

soldier who died in World War

(AP, Reuters)

FIFA's Smokescreen

FIFA, the governing body of world soccer, said Wednesday it had asked coaches at the World Cup not to smoke on the bench.

We have done all we could to try to get the coaches not to smoke, or at least not to smoke when the TV cameras are on them," said Keith Cooper, a FIFA spokesman. "Bot it's the freedom of the individual. The stadiums are not a nonsmoking area. We can't send the gendarmes in on them."

On Tuesday night, as Argentina beat England in a penalty shootout, Daniel Passarella, the Argentine coach, ran toward the field with a cigarette in hand.

Cooper said that if FIFA could oot get the coaches to quit, it at least wanted to try to protect soccer's image. He said FIFA had asked TV directors to try to avoid camera shots of coaches smoking. ... (AP).



French coach Aime Iscouct directing training Wednesday.

WORLD CUP BRIEFS Europe Once More Dominates the Final 8

By Christopher Clarey

PARIS — The world's finest teams have played 56 soccer-matches over three weeks. Their players have scored with feet, knees, heads, chests, shoulders, and in the unfortunate case of goalkeeper Andoni Zubizarreta of Spain, with a hand into his own goal

The gaffes and heroics have kept fans up late in Asia and got them up early in South America. But after all the excitement, this quadrennial flurry of activity has done little to change the balance of power.

The teams that have had the most success in this competition - Brazil, Germany, Italy and Argentina — are all among the final eight. So is the host, France, and three other teams from Europe — the Netherlands, Croatia and Denmark. The old world remains at the center of the soccer universe.

Even if a South American team wins a World Cup on European soil for the first time since Brazil in 1958, it bears remembering that the contemporary South American stars spend more time in this climate and time zone than they do in their own. All I I of the Argentines who started against England play for European clubs. Of the 11 Brazilians who started against Chile, seven work for European employers. Ronaldo has seen a lot more of Eindhoven, Barcelona and Milan in the last four years than Rio

The phenomenon is not new: Argentina coach Daniel Passarella, to cite one example, played on this continent, but the Europeanization of soccer has

been gathering speed.

True, Brazilian captain Dunga plays in Japan, but he is 34 and on the verge of retiring from the national team. True, Brazilian midfielder Denilson played for Sao Paulo last season but he already has been sold for a record sum to Real Betis in Seville, Spain. True, Eric Wynalda, Cobi Jones and Eddie Pope all play in the United States, but then that is one of the reasons it lost all its games.

The best Africans play in Europe, and increasingly they are also educated and trained in Europe. Many were expecting what the French term "mountains and marvels" from Nigeria, but the World Cup is also an administrative exercise, and multiple coaching changes, financial squabbles, intramoral bickering and political pressure could not have helped Nigeria which lost to Denmark in the second round.

Of the African teams, Morocco, which had both coaching continuity and



means at its disposal, came closest to Italian. The French defense, led by Lili-fulfilling its potential in France. Italian. The French defense, led by Lili-an Thuram and Marcel Desailly, is arfulfilling its potential in France.
But that is last month's news. And if

there have been disappointingly few surprises, that only makes these largely predictable quarterfinal matchups more

Franco vs Italy, Friday, 4:30 P.M. Italian coach Cesare Maldini jokingly called this a match between two Italian teams. Eleven of the 22 French have played or still playing the Italian first division. The most prominent is Zinedine Zidane, the playmaker for Juventus of Turin who missed France's last two games because of a red card but will be back in the lineup. But Thierry Henry the speedy striker is hurt and probably woo't start Italy has a formidable attack with the

relentlessly opportunistic Christian Vieri and either Alessandro Del Piero or Roberto Baggio. They are backed by a

guably even better.

Brazil vs. Denmark, Friday, 9 P.M. There has been considerable handwringing over the state of Ronaldo's left knee and waistline. The fact that he missed practice oo Tuesday launched a thousand headlines at home, but Rooaldo, who suffers from recurring tendinitis in the knee, said it would have oo effect on him Friday.

The Danes have got this far for the first because they capitalized oo defensive errors from Nigeria and put their experience to good use: the Danish team's average age of 29 is second only to the Germans. Veteran goalkeeper Peter Schmeichel should get ample opportunity to display his talents against Brazil.

Notherlands vs. Argentine, Saturday, 4:30 P.M. Potentially the most spectacular of the quarterfinals. Argentina bear the Dutch in the 1978 final in Buenos fine defense that after a shaky start the Dutch in the 1978 final in Buenos man on the oldest team, 37-year against Chile has begun to look very Aires. They have oot played again in a Lothar Mathaus, has been a rock.

World Cup until now. Both teams have multiple streogths and world-class strikers: Gabriel Batistuta for Argentina and Dennis Bergkamp for the Neth-erlands. Bergkamp is more versatile: a player capable of creating his own chances while Batisnata is more adept at seizing those presented to him. While the Argentineans rely on a playmaker, Aricl Ortega, who was brilliant against the English, the Dutch have a less predictable attacking flow.

Gormany vs. Croatia, S These are the first World Cup finals for Croatia, but this is already a rivalry because Germany beat the Croatians 2-1 in the quarterfinals of the 1996 Enropean Championships. The Germans went oo to win the title and have shown the same form they showed there: playing strongly in the second half.

In defense, goalkeeper Andreas Kop-ke also has looked shaky, but the oldest man on the oldest team, 37-year-old

whirlwind charges of four years ago, or

floats backward for the volleyed shot

that was his trademark. He is a not in any

Instead, he plays for the team. His

passing is still sharp, and he roams the

field tirelessly to shake his defender and

open spaces for teammates. He even

was Brazil's top scorer in the first round

isn't ready to quit.
"I'm 34, but with the head and the body of a kid," said Bebeto, who was

world champioo for Brazil's 1983 iu-

nior team when Ronaldo was still in

In his third and final Cup, Bebeto

case a flamboyant player.

with two goals.

kindergarten.

And Goal Scorers SECOND ROUND

World Cup Results

JUNE 27, IN ST. DENS Brezil 4, Chile 1

JUNE 27, PH WAN Italy 1, Norway 0

JUNE 25, IN LESS France L Peregusy surent Blanc 113.

JARES 28, IN ST. DEMIS Denmark 4, Higeria 1. —Peter Motier 3, Brian Laud

JUNE 29, MONTPELLIER Germany 2, Mexico 1

- Luis Hernandez 47.

JUNE 20, 14 TOULOUSE Netherlands 2, Yogoslavia 1

JAME 30, 14 BORDEAUX Crossis 1, Remarks 8 kar 45 pen.

Argentina 2. England 2 on 4-3 penalty shoot-out.

QUARTERFINALS

RILY A. IN NANTES JULY 3, IN ST. DEIGG B—Haly Vs. France JULY 4, BY LYON

SEMIFINALS JULY 7, M MARSELLE JULY 4, M ST, DENIS Finner A vs. Wigner C Winner B vs. Wigner D

THIRD PLACE JULY 11, St PARIS Losing semifinalist

> FINAL JULY 12, IN ST. DENIS

When quatches are drawn after 30 minutes, become start to play two 15-minute periods of extra-time. Play now stops immediately when one base socree in extra-time — a "golden goeff for the witner, sudden death for the loser, if no goal is scored in the 30 minutes, the match indecided by a penalty shoot-

GOAL SCORERS

2 goats: Ceaur Sompnie, Rountife (1), Brazi Sahar (1), Croatia Thierry Heatry, Francis Oth Bett, Juergen Klassoman, Germany. 2 goats: Arlei Oringa, Argentina; Marc I Belgium; Beheln, Brazil: Michael Owen, Alon

(1), England; Roberto Baggio (1), Huly; Theodore Whitmore, Jampico Sainteddine Bessir, Abiologiii Waterners, Jamester Schmiegelande Barrett, Abenders Hendde, Andercer Sternerb Peleurs, Abenders Deumés Bergitamp, Phillip Coca, Renadid de Beer, Nether-lands: Viarel Medidous, Retanalist (lib. Naturant, Personale Hieror (I), Fernadid Mediadus, Spolits Sistem Barrilett (1), South Africa Sisbodan Kontilen-

ovic, Yuguslovia.

I gent: Hecker Pienda, Jorder Zanelli , Argenflass Andreas Herzeg (1), Anten Peister, Ivice Versiic, Auzmac Luc, Kilic. Belgitum, Revalde, Becchi: Beall Kostindinow, Bulgariur Paptick Athensa, Pherre Nganta, Constroom Jose Sierra, Chile: Laider Precisite, Colombiu: Rebert Presidentic, Merie Stunic, Crocificy Thomas Helveg, Brian Lundrop, Nijchoni Lundrup (1). Peler Maceller, Allan Nielsen, Merc, Rieger, Ehle Sund, Dermonte Deurse Anderlon, Dendis Bactimum. Puni Scholes, England; Luntran Blanc, Christophe Degarry, Yota'i Djortheeff (1), Blande Lizenzus, Emmanuel Petti, David Trazegent, France; Andreas Moeller, Germany; Laigi Di Bingia, Buly, Humid Estili, Meholj Mathdovijidi, Intr. Robbie Erris, Jamoico: Mususid Nethewijidi, Intr. Robbie Erris, Jamoico: Mususid Nethewijidi, Intr. Robbie Erris, Jamoico: Alberte Gercla Aspe (1), Mexico: Massatafa El Hudii, Morocco: Eduar Devids, Merc Overparas, Emilica, America volunta and 11/2, Interest, americanes, El Hadil, Androcco; Edgar Dovides, Marc Overgates, Pierra von Hoojdonk, Netherlands; Atalia Adapola, Tigoni Bahangida, Victor Ikpaha, Gorba Lawat, Sunday Disah, Wiksan Oroma, Migedia Dan Eggan, Handrif Ha, Ture Andre Fle, Kjedil Rahida (1), Normay, Calca Andre Milleria, Basilia, Jack. Complete. Carlly, South Africa: Ha Seok-ja, Yoe S South Korea: Lois Enrique, Rout Goazale Slander Sussyok (1), Tunisla: Brian McBrid States: Sinka Milhalloric, Predrog Mijatoric Hallowic Yugoslavia

The Cheers for Brazil's Bebeto Have Turned to Boos slower than in '94. He rarely makes the

OZOIR-LA-FERRIERE, France -Barely 20 minutes into the game, the boos began drifting down from the stands. The target was the same as always: Bebeto.

Nothing he did seemed to please the fans. Ronaldo's pass was off the mark? Bebeio was out of position. A tough ball in traffic? Bebeto blew it again. The crowd chanted for Denilson, Edmundo - anybody, it seemed, except Bebeto.

Four years after he teamed up with Romario to lead Brazil to a fourth World Cup title, Bebeto's prestige has sunk to a low ebb. His critics say he's too old, too slow and undeserving of a starting spot

on the Brazilian attack. Coach Mario Zagallo doesn't agree. Bebeto does everything we ask of him, he says. In fact, Zagallo cites Bebeto as an example for the often-static Ronaldo. "Bebeto at 34 moves like oobody else,"

After every game, reporters ask Zagallo if he plans to bench Bebeto and start Denilsoo. The answer each time is

But against Chile, Zagallo pulled Bebeto early in the second half and sent in Denilson. Afterward, the coach said he preferred Brazil's play in the second half, even though the team scored three of its four goals in the opening period. Outside the locker room, Bebeto didn't hide his frustration.

"I just don't understand. The others make bad passes, but the fault is always mine," he said. "I'll take the first period a thousand times if we score three goals." Chief among the "others" is Ronaldo, and the lack of rapport between the two is one of Bebeto's prob-

lems. Ronaldo, twice the world Player Zagallo said. "But oo one seems to see" of the Year, has a guaranteed spot in the linenp, so it's his partner — whoever he may be - who must adjust.

The two got off to a bad start at the 1996 Olympics, when Brazil played poorly and finished third. Bebeto complained that Ronaldo hogged the ball, while Ronaido sniped that the team lacked leadership.

Although they made up at training camp, Ronaldo has said his preferred linemate was Romario, dropped from

Bebeto also clashed with Dunga. The team captain complained that Bebeto was slow setting up to defend a free

the squad with a calf injury on the eve of the Cup.

kick, Bebeto answered back, and Leonardo had to step between the two to avert a physical confrontation.

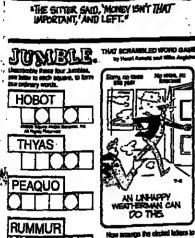
Still, it's true that Bebeto is a step

The booing burts more because it's unfair, he said. "I'm a world champion," he said. "I doo't have to prove anything to anyone."

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FUSSING ABOUT

NOW ?



OH, BEETLE SAID THAT

SARGE IS A

CONTROL FREAD



THEY ROAR IN TRIUMPH OVER THEIR PREY













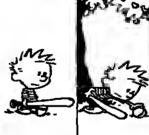


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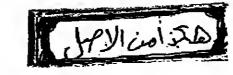










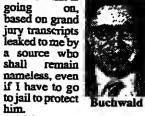


ART BUCHWALD

The Whole Truth

WASHINGTON — Many people are wondering why Ken Starr has we calling back the same wit-Ken Starr has to keep nesses time and time again. Here is what is

going on, based on grand jury transcripts leaked to me by a source who shall remain nameless, even if I have to go



"Mr. Stew Grubman, could you please tell us if you ever saw the president and Monica Lewinsky alone in the White House?

"No, 1 did oot." "Thank you, we will call you back."

Three weeks later. "Good morning, Mr. Grubman. Would you be kind enough to respond to this question: Did you ever see the president and Monica Lewinsky alone in the White

"I answered that question day," the last time."

"Yes, but this time I would like to remind you that you are under oath, and if you perjure yourself you could get op to 10 years in solitary con-

"The answer to your question is, 'No.' Two weeks later.

"Mr. Grubman, we've I'm getting very bored."
led you back to make a "All right. Let me ask a called you back to make a deal. If you tell us what you really saw in the room next to the Oval Office, we will offer you immunity and 5,000 frequent flyer miles on the airline of your choice." "I testified I saw noth-

'And that is your answer in spite of evidence to the contrary?"

"What evidence?" "We can't tell you that, as these grand jury hearings are

"Would you like to know the names of the books I have bonght during the last year?"

"We know the names of the books. You may go, but please return in a month."

П

One month later. "Mr. Grubman, the job of the special prosecutor is to dig for justice until be finds it to spare no one, regardless of political party. Our job is to make sure everyone goes to jail if he or she does oot co-

operate with our office. Therefore, I would like to ask you the following question: Did you ever see the president and Monica Lewinsky alone together in the House?"

"No, I didn't." "You realize we can refuse to allow you to park near the courthouse? 'Yes.'

"Come back next Thurs-

The following Thursday, Stew Grubman opens by reading a statement

"I have been asked the same question over and over again. I respectfully request that the prosecutor ask me some other questions because

bypothetical one. If you were in the Oval Office, and the president was in the Oval Office, and Monica Lewinsky was taking dictation - would yon then have seen the two of them together?"

"Yes, but I wasn't and they "Thank you, please come back next Monday."

Faith and Science: Is There Common Ground?

By George Johnson
New York Times Service

NEW YORK — Ever since science began drifting away from religion, centuries ago, each has dreamed of subsuming the other. Scientists, in their boldest moments, speak of explaining away all the mysteries by empirical inquiry, leaving no need for ancient wisdom.

And the faithful, fervently believing in spiritual forces unmeasurable by any meter, have longed for a reality beyond the shadow play of the material realm.

Left between these extremes are many people who are both scientific and religious, and confused about whether a bridge can ever cross the divide. Every few decades, this hope for reconciliation experiences a revival.

The most recent may be the biggest, with books, conferences and television shows trying to find a commoo ground between two fundamentally different ways of thinking.

In the 1970s scholars tried to merge science with Eastern religion; the emphasis

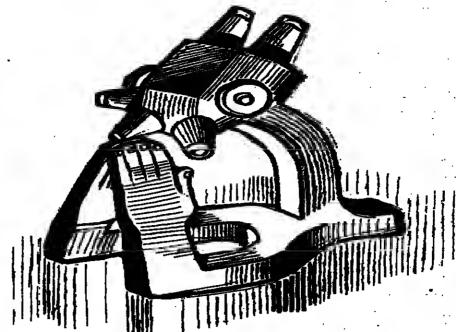
now is on rejoining science with mono-theistic, usually Christian, faith. Not all the work is motivated by religious passion. In his book, "Consilience," the Harvard biologist Edward Wilson tries to revive the Enlightenment dream of a unified system of knowledge that would embrace not only the sciences but also morality and ethics, removing them from the uncertainties of religion. His effort is not to make science

spiritual but to make religion scientific. But most of the longing for reconciliation comes from the religious side. With a \$3 million grant from the John Templeton Foundation, which is fueling much of the metaphysics boom, a modest newsletter on science and religion was reborn this year as

a glossy magazine called Science & Spirit. 'We see a growing number of individuals looking toward religion to explain what science cannot, and asking science to validate religious teachings," said Kevin

Sharpe, the publisher.
This fall, PBS television will broadcast "Faith and Reason," a documentary partly financed with \$190,000 from the Templeton Foundation, featuring interviews with scientists about God.

One of the most conspicuous events was the heavily promoted conference called "Science and the Spiritual Quest," held last month in Berkeley, California, by the Center for Theology and the Natural Sciences. The



Templeton Foundation gave the center \$1.4 million for the conference.

For four days scientists testified about their efforts to resolve personal conflicts over science and religion. All seemed to share the conviction that this is a purposeful universe, that there is a reason to be here.

Theology is not some airy-fairy form of metaphysical speculation," said John Polk-inghome, a Cambridge University particle physicist turned Anglican priest. Like sci-ence, he said, religioo is rooted in encounters with reality - though in the latter case encounters include spiritual revelations whose truths lie in the realm of the subjective. The question was whether this kind of experience could ever be studied scientifically.

But for many scientists, the point of the scientific enterprise is to replace religious teachings with verifiable theories. "We're working on building up a complete picture of the universe, which, if we succeed, will be a complete understanding of the universe and everything that's in it," Richard Dawkins, a University of Oxford biologist, said in a

others have found that their search for they can't simply assert that their beliefs are

They proffer scientific proof that the universe was created as described in Genesis. Science, too, is feeling its limits, leaving a vacuum that religion is happy to rush into. Neuroscientists can explain the brain as networks of communicating cells. But it is hard to imagine a satisfying theory of the conscious

true because they are written in the Bible.

experience - what it is like to be alive. And no amount of theorizing is apt to converge on a persuasive explanation of where the mathematical laws are written or

what happened before the Big Bang.
For all the genuine philosophical longings, the recent drive to put God back in science would not be nearly so intense without the millions of Templeton dollars look-ing for places to land. "We are searching for a serious rapprochement between scieny and religion, Charles Harper, the executive director and vice president of the Templeton Foundation, said at the conference.

The money and the inspiration come from the investor John Marks Templeton, founder of the Templeton Growth Fund and other ventures, who retired in 1992 to work full-time on his philanthropy.

The Center for Theology and the Natural

Sciences in Berkeley is receiving \$12.6 million from Templeton to belp develop science and religion programs at universities. The American Association for the Advancement of Science received \$1.3 million "to help establish a science and religion dialogue.

But judging from the conference, no amount of money is likely to succeed in Many of the speakers avoided grappling with religion directly, content to ponder mysteries that have disturbed scientists for

decades. The Stanford University cosmologist, Andrei Linde, speculated on the pos. sibility that consciousness, the hallmark of burnanity, could be an intrinsic part of the universe. Our subjective experience, he said, is the only thing each of us is really sure of.

The astrophysicist John Barrow of the University of Sussex spoke of the cosmological coincidences that make life possible. If certain physical constants had slightly different values, stars would not have formed to cook up the atoms that made the biological molecoles.

Some of the speakers seemed to believe science and religion must inevitably go their separate ways, "I don't go to a biology book to learn how to live," said Sandage. "I don't go to the Bible to learn about science."

France to Buy American Center

DARIS - When the new American Center here was inaugurated by Hillary Rodham Clinton in June 1994, the \$41 million building designed by Frank Gehry looked set to become a hothouse of American artistic creativity. Instead, barely 19 months later, the center suspended its activities for lack of funds and its only remaining asset, its ultramodern headquarters in eastern Paris, was put up for sale.

The American Center as such survived as a legal entity, but it could do nothing until it had sold the Gehry building, which stood empty for the best part of 30 months.

On Tuesday, the search for a buyer it planned to acquire the building and turn it into a Maison du Cinema,

bousing a film library and theaters. If the deal becomes final in the coming weeks, as expected, it will conclude the most painful and embarrassing chapter in the center's 67year history and the beginning of a

new era in which the revenues from the sale will be used to create a fund to promote American culture. But no looger will there be a physical location where American and French students and artists can gather.

The American Center can now prepare to continue its "mission of supporting cultural, educational and artistic activities," its chairman, Frederick Henry, said in an interview Tuesday.

French officials refused to give the exact purchase price, although they estimated the cost of bnying and adapting the building at about \$34 million. They said renovating it would cost about \$13 million, which would place the proposed purchase price at

The \$20 million difference between the Gehry building's original cost and its current market value is the price the American Center has paid for selling its Left Bank home and constructing a new beadquarters. Its mistake was to count oo donations for the \$6 millioo annual cost of running it.

PEOPLE

BRITAIN will have to come up with more cash for the Royal Opera House if it wants the nation's cultural institution to continue. In a report on the opera and ballet house at London's Covent Garden, Sir Richard Eyre, former director of the National Theatre, accused the bouse management of "arrogance and presumption" in its dealings with public funds. But be said it still needed more public funding to stay alive. There have been suggestions that the government's annual £14.4 million (\$24 million) grant should be doubled. Eyre, wbo was asked by Culture Secretary Chris Smith to look into the way the opera bouse is run, rejected Smith's suggestioo that it should share premises with save money. Eyre also said greater access to the opera for ordinary people was vital, and could be achieved by reducing

ticket prices, currently at about £200.

Paula Yates, the companioo of the late Australian rock star Michael Hutchence, was recovering in a private

clinic after a friend found ber at ber London bome in a distressed state. Hutchence, front man for INXS, was found hanged last November in a Sydney botel, Press reports variously said that Yates, 38, had tried to kill berself with a drug overdose or by hanging. An ambulance service spokesman said that she did not need to be taken to the hospital and was treated at

Barbra Streisand and the actor James Brolin were to tie the knot this week at her beachfront estate in Malibu, California, a Los Angeles television station reported. The station cited Streis-MCISL DICK GUIU news media helicopters not to fly over the entertainer's bome on the day of the wedding. "The wedding is a sacred event," Guttman told NBC. "They want to hear the words."

Ris Lacoste, a cbef at 1789 Restaurant in Washington, is offering a the summer of 2000.

\$1,000 reward for the return of a tabletop once used by Julia Child. The top is part of a beige Formica cooking table made for Child by ber husband, Paul, in the 1950s, and features the motto "Bon Appetit, Julia Child," Child used the table during traveling cooking demonstrations. It was sold at auction last summer to a public relatious firm, which shipped the dismantled table - but only the legs arrived. Lacoste said Child wanted to make sure the tabletop got back in safe hands.

objective truth has led them to questions that

science cannot answer. "The most amazing

thing to me is existence itself," said the

cosmologist Allan Sandage at the Berkeley

conference. "Why is there something in-

Science, like religion, is ultimately built on a platform of beliefs and assumptions. No one

can prove that the universe is mathematical or

that the same laws that seem to hold in the here and now can be applied to the distant

quasars or to the first moments of time. These

are among the tenets of the faith, marking the

that is inspiring hopes for what would be the

grandest unified theory. Faced with sci-

ence's undeniable success in modeling the

world, people find it harder to accept re-

diocarbon dating suggested that the Shroud

of Turin was not Jesus's burial cloth but a

medieval forgery, and they hope that oew

scientific data will overturn the old research.

Many Christians were disturbed when ra-

ligious teachings that cannot be verified.

It is not just the approaching millennium

point at which reasoning can begin.

stead of nothing?"

Monster grosses lead to monster sequels. So after the first two "Jurassic. Park" films generated more than \$1.5 in woria wide oox-ome ue, Universal Pictures, and Steven Spielberg's Amblin Entertainment are joining forces to batch a third. Spielberg will produce but oot direct. Michael Crichton, who wrote the best-selling novel that led to the first "Jurassic Park" film in 1993, is developing the story. Listen for heavy footsteps around



HONG KONG MUSIC - The pop singer Andy Lau, left, performe '; with the saxophonist Kenny V.



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